SIFL/SECT/EA/19-20/66
July 04, 2019

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Fax: 022-2272 2037/2039/2041/3121
BSE Scrip Code: 523756

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot no. C/1
G Block, Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
Fax: 022-2659 8237/38; 2659 8347/48
NSE Symbol: SREINFRA

Dear Sir,

Sub: Annual Report for the F.Y. 2018-19

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report & Financial Statement of the Company for the Financial Year 2018-19 along with the Notice of the Thirty-Fourth Annual General Meeting (AGM) of the Company scheduled to be held on Saturday, the 27th July, 2019. The same is also available on the website of the Company at https://www.srei.com/investor/financial-reports/annual-report/pdf/annual-report-and-agm-notice-of-srei-for-the-fy-2018-19.pdf.

The schedule of events is set out below:

Event	Date	Time
Cut-off date for e-voting	20th July, 2019	NA
Commencement of e-voting	23rd July, 2019	9:00 A.M. IST
End of e-voting	26th July, 2019	5:00 P.M. IST
AGM	27th July, 2019	10:30 A.M.

The same is for information and record.

Thanking you.

Yours faithfully,
For **Srei Infrastructure Finance Limited**

Sandeep Kr. Lakhotia

Sandeep Lakhotia
Company Secretary
FCS No. 7671

Encl: a/a

Srei Infrastructure Finance Limited
Annual Report 2018-19

SREI
Together We Make Tomorrow Happen



YEARS STRONG

CORPORATE INFORMATION

Board of Directors
Mr. Hemant Kanoria
Chairman
Mr. Sunil Kanoria
Vice Chairman
Mr. Srinivasachari Rajagopal
Mr. Shyamalendu Chatterjee
Dr. Punita Kumar Sinha
Mr. Ram Krishna Agarwal
Mr. Malay Mukherjee
Mr. Balaji Viswanathan Swaminathan
(w.e.f. September 05, 2018)
Dr. Tamali Sengupta
(w.e.f. February 04, 2019)

Chief Executive Officer
Mr. Rakesh Kumar Bhutoria
(w.e.f. November 16, 2018)

Chief Financial Officer
Mr. Sandeep Kumar Sultania
(w.e.f. July 05, 2018)

Company Secretary
Mr. Sandeep Lakhotia

Auditors
Haribhakti & Co. LLP
Chartered Accountants

Secretarial Auditor
Dr. K. R. Chandratre
Practising Company Secretary

Principal Banker
Axis Bank Limited

Audit Committee
Mr. Shyamalendu Chatterjee
Chairman
Mr. Sunil Kanoria
Mr. Srinivasachari Rajagopal
Mr. Ram Krishna Agarwal
Mr. Malay Mukherjee
Mr. Sandeep Lakhotia
Secretary

Committee of Directors
Mr. Hemant Kanoria
Chairman
Mr. Sunil Kanoria
Mr. Shyamalendu Chatterjee
Mr. Sandeep Lakhotia
Secretary

Stakeholders Relationship Committee
Mr. Shyamalendu Chatterjee
Chairman
Mr. Sunil Kanoria
Mr. Hemant Kanoria
Mr. Sandeep Lakhotia
Secretary

34th Annual General Meeting on Saturday, July 27, 2019 at 10.30 a.m. at Bhasha Bhavan Auditorium, National Library, Belvedere Road, Alipore, Kolkata - 700 027

Asset Liability Management Committee
Mr. Shyamalendu Chatterjee
Chairman
Mr. Sunil Kanoria
Mr. Hemant Kanoria
Mr. Malay Mukherjee
Mr. Balaji Viswanathan Swaminathan
Mr. Sandeep Kumar Sultania
Secretary

Credit Committee
Mr. Hemant Kanoria
Chairman
Mr. Sunil Kanoria
Mr. Shyamalendu Chatterjee
Mr. Balaji Viswanathan Swaminathan
Mr. Samir Mondal
Secretary

Investment Committee
Mr. Hemant Kanoria
Chairman
Mr. Sunil Kanoria
Dr. Punita Kumar Sinha
Mr. Balaji Viswanathan Swaminathan
Mr. Sandeep Kumar Sultania
Secretary

Risk Committee
Mr. Srinivasachari Rajagopal
Chairman
Mr. Malay Mukherjee
Mr. Balaji Viswanathan Swaminathan
Mr. Shashi Bhushan Tiwari
Secretary

Nomination and Remuneration Committee
Mr. Shyamalendu Chatterjee
Chairman
Mr. Srinivasachari Rajagopal
Mr. Balaji Viswanathan Swaminathan
Mr. Sandeep Lakhotia
Secretary

Corporate Social Responsibility Committee
Mr. Hemant Kanoria
Chairman
Mr. Sunil Kanoria
Mr. Shyamalendu Chatterjee
Sandeep Lakhotia
Secretary

Business Responsibility Committee
Mr. Shyamalendu Chatterjee
Chairman
Mr. Ram Krishna Agarwal
Mr. Malay Mukherjee
Mr. Rakesh Kumar Bhutoria
Mr. Jaidip Chatterjee
Mr. Sandeep Kumar Sultania
Mr. Sandeep Lakhotia
Secretary

Governance Committee
Mr. Shyamalendu Chatterjee
Mr. Sunil Kanoria
Mr. Balaji Viswanathan Swaminathan
Mr. Sandeep Lakhotia
Secretary

Corporate Identification Number
L29219WB1985PLC055352

Registered Office
"Vishwakarma", 86C, Topsia Road (South),
Kolkata - 700 046
Telephone : 91-33-6160-7734
Facsimile no : 91-33-2285-7542/8501
Email: corporate@srei.com
Website: www.srei.com

Corporate Office
6A Kiran Shankar Roy Road
Kolkata – 700 001

Listing
BSE Limited
National Stock Exchange of India Limited

Depositories
National Securities Depository Limited
Central Depository Services (India) Limited

Registrar and Share Transfer Agents
Karvy Fintech Private Limited (Karvy)



"SREI HAS STRONGLY WITHSTOOD THE STORMS AND IS WELL ENSCONCED IN ITS RE-ENGINEERED FINANCING ACTIVITIES"





HEMANT KANORIA

Chairman

Dear Shareholders

The year under review has been a very challenging one for the Non Banking Financial Sector in India, especially after the IL&FS episode in September 2018. The infrastructure sector in India has also been facing challenging times. But, your Company has strongly withstood the storms and is well ensconced in its re-engineered financing activities. The Indian economy has slowed down in comparison to the previous years and also there has been a slowdown globally. The General Elections in India just got over, and the National Democratic Alliance (NDA) government is back with a stronger mandate for the next five years which, we all hope, will enable them to build a stronger India in all respects.

Economy and business outlook

During the year under review, protectionism has been on the rise across the globe. Most developed nations are finding it increasingly difficult to propel growth. On top of that, the tariff-related trade tension between the two largest economies has only added to the sense of uncertainty. Until and unless the leaders of these two super-powers sit across the table to iron out the issues, any escalation in their trade conflict can have far reaching impact on other economies and can drag down global growth further. In fact, the US has not restricted its tariff war against China only, several other trade partners, including India, are now being targeted. This can have a major impact on commodity prices as well. With international funding agencies like the World Bank and International Monetary Fund forecasting slower growth in this year and the next, the only positive fallout from this is perhaps the change in stance amongst the central banks in the developed nations. While they had earlier embarked on a process of unwinding their monetary expansion programmes, the recent developments have made them to pause.

On the domestic front, a marked slowdown is visible in capital goods formation and the manufacturing sector. Lower economic activity is getting reflected in lower tax collections as well. The government, sensing the seriousness of the situation, has

USD **64.4** bn
Total FDI recorded in India during 2018-19

Rs. **487** cr
Srei's net profit in 2018-19

already initiated discussions with the various stakeholders and we expect swift action to address all the concern areas. An infrastructure-led pump-priming of the economy looks very much on the cards. Right now, creating employment is one of the top priorities for the government, and there can be no better way to do this than by stepping up infrastructure creation. Jobs for the semi-skilled and unskilled people will be created in large numbers.

During the year under review, the sheen on the India Growth Story remained intact. India once again moved up in the World Bank's 'Ease of Doing Business' survey. Progress on the Insolvency & Bankruptcy Code (IBC) has been slower than expected, but it has nonetheless ushered in a healthy credit culture, and this will reap rich dividends in terms of attracting more investments to India. The roll-out of the Goods & Services Tax (GST) has considerably expanded the tax base, formalised larger segments of the economy and heralded a transparent way of doing business. Further rationalisation of the GST tax rates will provide a huge boost to entrepreneurship.

The cumulative impact of all these has been India's rising appeal as an investment destination amidst a scenario of global slowdown. India recorded a total FDI (equity + re-invested earnings + other capital) of USD 64.4 billion during the year under review, up from USD 61 billion in 2017-18. For the first time, India's total exports (goods and services combined) surpassed the USD 500 billion mark. With a foreign exchange reserve of more than USD 420 billion, India is prepared to weather any probable global turbulence.

The Union Budget 2019-20, to be presented in July, is likely to provide clarity on the direction of reforms that this government will undertake. If the Interim Budget 2019-20 was any indication, we feel this government will focus more on the social sector and, in particular, will aim to uplift the standard of living of the rural masses. Going forward, we foresee a major push in the construction of roads and highways and rural infrastructure. The forecast of a near-normal monsoon and government's steps to spur the rural economy will trigger brisk activity in the agrarian sector.

Company outlook

During the year under review, your Company posted a consolidated income of Rs. 6,470 crore (an increase of 20 per cent over last fiscal's Rs. 5,400 crore) and registered a net profit of Rs. 487 crore (a 29 per cent jump over last year's Rs. 377 crore). Your Company's consolidated disbursements stood at



It was a strategic move on part of the management to go slow on disbursements and to focus more on the credit quality. This conservative approach has rewarded us.

Rs. 21,229 crore, marginally below last year's figure. The consolidated shareholders' fund of your Company stood at Rs. 4,111 crore, while the consolidated assets under management stood at Rs. 47,070 crore. Thus, clearly your Company's performance has remained strong during the year under review.

It is worth noting that the second half of the year under review has been quite challenging. The NBFC sector faced a severe liquidity shortage in the aftermath of the IL&FS episode in September 2018. The flow of funds to NBFCs dried up from institutional sources. However, your Company, because of its prudent risk management practices and foresight, has weathered this crisis well. It was a strategic move on part of the management to go slow on disbursements and to focus more on the credit quality. This conservative approach has rewarded us. While there was some marginal fall in our disbursements and in the assets under management, the growth in income and net profit remained firmly on track. It is also worth noting that your Company is now the only one in its category which is still standing tall. Our sound business model has helped us withstand many a systemic shock in the last 30 years and every time we emerged stronger. This time too it will be no different.

Reserve Bank of India (RBI) acted proactively and introduced a number of steps to help the NBFC sector to deal with the liquidity situation. One such step has enabled your Company to undertake co-lending with banks. This will work out to be a win-win situation for us and our bank-partners. While the banks will provide the bulk of funds for co-lending, we will add value with our excellence in management of economically productive assets. Thus, co-lending will allow your Company to bring down the leverage on the balance sheet and at the same time bring down our cost of capital. From here onwards, we are headed for a more volume-driven game with a focus on improving the return on equity. So far, your Company has tied up with five public sector banks.

Taking note of the fact that technology will be the defining factor behind one's competitiveness in the digital age, the management of your Company has been extensively investing in technology. The Company has built resilient operations and embraced digitalisation. An interactive platform has been introduced which has received encouraging response from our customers and vendor partners. To ensure that digitalisation plays an integral part in our future innovations, your Company is also investing in training to create a smart, future-ready workforce.

The management is also keenly following the developments on the IBC front as we expect several brownfield investment opportunities to open up there. Your Company, with its expertise, experience and skill-sets, is well placed to provide turn around support to some of the stressed infrastructure projects that are under the IBC resolution process.

The Indian economy, despite some signs of stress, is still growing faster than most major economies. Thus, the prospects for your Company remain bright. Equipped with the resources, processes, manpower, technology, and more importantly the experience and expertise gained over the years, your Company is keen to scale new heights in the infrastructure space. We look forward to receiving your continued support in this exciting journey ahead.

Thank you.



HEMANT KANORIA
Chairman

SREI

INFRASTRUCTURE IS A LONG-TERM GAME AND LONG-TERM SUSTAINABILITY NEEDS TO BE DERIVED FROM A ROBUST YET-SCALABLE BUSINESS MODEL.



SUNIL KANORIA

Vice Chairman



Why India needs infrastructure investment...

1.6bn
India's expected population, 2040

50%
of India's population will be residing in urban areas, 2030

4.5%
India's GDP 'loss' on account of inadequate infrastructure

3rd
Global size of Indian construction market, 2022

How would you appraise the Company's performance during FY2018-19?

The year under review was one of the most challenging for Srei. In the aftermath of the NBFC crisis that unfolded across India's financial system in September 2018, access to funds virtually disappeared. The result is that consolidated disbursement declined by 23 per cent during second half of the year as against the growth of 13 per cent during the first half compared to corresponding periods of the previous year. In the challenging environment, the Company focused on enhancing liquidity and business sustainability.

This also impacted the Company's performance during the second half of the year. While consolidated total income and PAT grew by 28 per cent and 66 per cent respectively in the first half of the year over the corresponding period in the previous financial year, there was a slowdown in the second half. The Company's topline grew only by 13 per cent and bottomline grew only by 5 per cent during the second half of the year compared to corresponding period of the previous year. However, we still managed a positive growth in net profit for the entire year.

Q: How did the change in scenario affected the Company's fundamentals?

Over the last three decades, we successfully negotiated a number of sectoral downturns on the back of strong fundamentals and focused approach. The result is that we emerged stronger each time.

For a quick re-cap, in the late Nineties, NBFC sector growth came to a halt when the sector experienced a shakeout. Srei had responded successfully to this challenge by strengthening its fundamentals seeking global resources. During this toughest phase in the sector's history, the Company responded with speed and aligned its business model in line with the government's development goals and with complete regulatory compliances.

The challenges that the Company is now facing are different. There is a liquidity crunch, which should not be confused with a solvency challenge. One window of funding may have closed, but the government and regulator, well aware of the problems, intervened proactively to allow NBFCs to enter the co-lending business through a partnership with banks.

The macro-fundamentals remain strong; the country also now has a strong and stable government re-elected with an overwhelming majority. This indicates that the economy will continue to grow and co-lending will help players like our Company grow our business.

The Company's competence lies in the management of economically productive assets, and this is the value-addition that we bring to the co-lending exercise, while banks will provide the bulk of funds. Besides, co-lending will allow the Company to moderate the leverage on our Balance Sheet and our cost of capital – a win-win for the Company and the banks. This secure volume-driven approach will strengthen Return on Equity and business sustainability in the coming years.

The Company is also focused on enhancing the revenue mix where securitisation and co-lending will play a prominent role. In the post-



How India evolved in 30 years…

1991
Indian economy liberalized the country permitted foreign direct investment

1992
National Stock Exchange (fully electronic) launched

1995
Public internet services commenced

2005
Value Added Tax replaced multiple taxes

2017
Introduction of GST, replacing multiple indirect taxes and created 'one nation, one tax' concept

How Srei performed in this scenario….

1992
Srei went public; stock listed

1997
Srei mobilized funds through international financial institutions

GST environment, leasing will be a key driver in fresh asset creation; the Company is equipped to promote leasing. The message that I need to send out is that the Company is making a greater use of tools to address prevailing realities, entering co-partnering and co-lending programmes, while leveraging securitisation and other solutions.

The result is that we are optimistic of riding through this downtrend as well. On the overall, the Company will continue to build on its strengths to reinforce our position as the country's only pure-play infrastructure financing NBFC.

Q: Why is India's infrastructure sector likely to grow faster?

Although there has been a slowdown in infrastructure investments in the last couple of years, this could be transitory. The strong mandate for the government implies government spending on infrastructure will revive and one can foresee a number of EPC projects in the second successive term of this government.

There are compelling reasons why sustained investments need to be made in Indian infrastructure.

One, India is still largely an under-invested country from an infrastructural perspective. A simple comparison with the quality and quantum of infrastructure in China indicates how much we still need to cover to achieve a world-class infrastructure standard. This highlights years of sizable investments still to be made.

Two, the question is not just of investments in infrastructure, but of a larger issue of making India globally competitive so that India's low cost manufacturing base can be fully leveraged. It is an open fact that India's infrastructure disadvantage – in terms of relatively low scale and correspondingly high cost – will need to be structurally corrected. In view of this, we believe that increased infrastructure investment is inseparable from India's growth ambitions.

Three, Prime Minister Narendra Modi has set an ambitious target of USD 5 trillion GDP by 2024, from USD 2.7 trillion now. This calls for a commensurate addition to the carrying capacity of our infrastructure.

Each of these realities indicates that the kind of growth that we have seen in the last 30 years is nothing compared to the kind of opportunity that awaits us in the coming years.

What is the size of opportunity that India is looking at?

We, infrastructure professionals, follow a simple formula – if a country's GDP grows at x per cent annually, infrastructure investments need to grow 2x per cent to ensure that the growth momentum sustains. Even if India reports annual GDP growth rate of 6.5-7.0 per cent, we need to grow infrastructure investments by 13-14 per cent annually. Thus, for the world's fastest growing major economy, the infrastructure sector is also likely to grow faster than in any other country.

According to government estimates, infrastructural investments worth USD 4.5 trillion will be needed in investments till 2040 across roads, airports, ports, Smart Cities and affordable housing projects, among others. This could create a powerful ripple in terms of secondary investments, catalysing the growth of the Indian economy.

Keeping these figures in mind, we need to plan for the long-term and configure a corresponding organisational structure and business model to graduate Srei to the next level.

How has Srei stayed relevant in a challenging sector?

We recognise that infrastructure is a long-term game with occasional macroeconomic shocks. In this business, long-term sustainability needs to be derived from a robust-yet-scalable business model that can adapt to economic transitions and respond to sectoral opportunities. The operative words are 'agility' and 'innovation'.

At Srei, we have been fortunate in building a team of experienced professionals whose deep domain knowledge and rich market experience have helped us continuously to innovate in the infrastructure financing space. Our ability to adapt with speed and transform challenges into opportunities has protected our relevance .

How has Srei persisted when a number of its peers have perished?

We believe that the one reason why most infrastructure financing players failed in this sector was a lack of focus. Infrastructure creation is time-consuming with specific risks attached. Across its lifetime of use, the infrastructure property passes through various economic cycles, which warrants patient long-term investing. We have always been patient without losing focus. Besides, we have been fairly conservative in our approach, strengthening our sustainability. .

Srei has consistently been a pure-play infrastructure player across three decades. By focusing on enhancing process efficiency on the one hand and effective risk management on the other, Srei has successfully withstood a number of challenges and emerged stronger.

Has there been any learning for the Company from the recent crisis?

If there is one take-home from the recent crisis, it is that we need to be additionally vigilant in matching our assets with liabilities (a key reason why most players faltered). The result is that even as the market grappled with liquidity issues, Srei continued to repay its liabilities and kept exploring diverse funding sources (PSU banks, external commercial borrowings, bonds and a probable Masala Bond mobilisation).

How bright are prospects in the equipment financing business?

The business reported a commendable performance in the first half of the year owing to a strong investment sentiment. However, as the momentum slowed thereafter, the business was affected by a large scarcity of funds.

We continued to be India's leading player in the construction, mining and allied equipment financing spaces. We continued to enjoy longstanding relationships with major OEMs, strengthening our access to the financing of world-class equipment, which will be needed to shrink construction cycles and enhance site safety. We continued to protect our large customer base, which we believe should enable us to carve out a larger wallet share across the foreseeable future when these customers intend to buy new equipment.

The i-Quippo platform that we partnered leverages technology to enhance the digital edge in our equipment financing business. The interactive nature of this platform and the ease of transaction received an encouraging response from our customers and vendor partners. Going forward, i-Quippo will be a crucial cog in our equipment financing business as digitisation plays a major role in our innovation-driven journey.

What are your plans to generate long-term growth?

We expect our business to take two or three quarters to stabilise before we return to our normalised growth journey. This year will be a year of transition at Srei and we continue to strengthen our processes and redefine our business model, enhancing positive changes for our customers, stakeholders and employees . This could strengthen our preparedness for the long-term.

In the medium to long-term, given the risk quotient within the economy and incidence of Black Swan events, we intend to create a leaner Balance Sheet on the the one hand and enhance profitability (Return on Equity) on the other. We will pay deeper attention to revenue and business quality .

In the area of project financing, we will venture more cautiously. Banking on our expertise, we will focus on advisory services. We will explore resolutions for stressed assets. In partnership with other financial institutions and without assuming a larger risk on our Balance Sheet, we will seek to provide innovative financing solutions for infrastructure players. Deleveraging the Balance Sheet and de-risking the business model will be a part of our long-term growth plan.

DIRECTORS' PROFILE

Mr. Hemant Kanoria
Chairman

He holds a bachelor's degree in commerce from the University of Calcutta and has over 39 years of experience in industry, trade and financial services. He is currently serving as Board Member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management and is a member of the advisory board of the Calcutta Business School. He has held several prestigious positions like President of Calcutta Chamber of Commerce, Chairman of the FICCI National Committee on Infrastructure and has served on the Board of Governors of Indian Institute of Management, Calcutta (IIM-C) besides being a past Member of the Regional Direct Taxes Advisory Committee, Government of India.

Mr. Sunil Kanoria
Vice Chairman, Non-Executive Director

He is a chartered accountant with more than 29 years of experience in the financial services industry. He has been the president of the Associated Chambers of Commerce & Industry of India, a former governing body member of the Construction Industry Development Council and is presently a council member of the Institute of Chartered Accountants of India. He is also presently the honorary consul of Spain in Kolkata, with jurisdiction over the State of West Bengal.

Mr. Srinivasachari Rajagopal
Non-Executive & Independent Director

Mr. Srinivasachari Rajagopal has over 41 years of experience in the Banking industry. Mr. Rajagopal is the past Chairman & Managing Director of Bank of India and Indian Bank and has immensely contributed to the Banking and Financial Sector. Having been on the Board of various Corporates and Development Funds in India and abroad, Mr. Rajagopal has in-depth knowledge of Commerce, Industry, Finance and Insurance. Mr. Rajagopal is also an Advocate with specialisation in company matters. Mr. Rajagopal holds Master's Degree in Economics, Degrees in Commerce and Law besides professional qualification from the Indian Institute of Banking and Finance. He is also closely associated with Academics. He was a member of the governing bodies of the Madras School of Economics and Court of Banaras Hindu University.

Mr. Shyamalendu Chatterjee
Non-Executive & Independent Director

A seasoned professional, Mr. Chatterjee has over 45 years of experience in Retail, Commercial, Investment Banking and NBFC. Associated with the State Bank of India for 26 years, he has extensive exposure in the area of International Banking at SBI, London and as the Chief Representative in Washington DC having worked closely with IFC, World Bank and IMF. He was the Executive Director with Axis Bank (formerly UTI Bank) wherein he was instrumental in developing the bank's business model and strong business processes enabling it to evolve into a leading player in the industry. He has been associated with Srei in various capacities for developing business, audit, compliance, HR & IT processes as well as risk management. In addition, he has also served as a Member of the Board of Directors of Nabil Bank, Nepal.

Dr. Punita Kumar Sinha
Non-Executive & Independent Director

Dr. Punita Kumar Sinha has focused on investment management and financial markets during her 27 years plus career. She spearheaded some of the first foreign investments into the Indian equity markets in the early 1990s. Currently, she is the Founder and Managing Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm focused on Asia. She is also a Senior Advisor and serves as an Independent Director for several companies. She is also on the Board of Governors of CFA Institute, USA. Prior to founding Pacific Paradigm Advisors, she was a Senior Managing Director of Blackstone and the Chief Investment Officer of Blackstone Asia Advisors. She is a Doctorate from the Wharton School of University of Pennsylvania. She received her undergraduate degree in chemical engineering with distinction from the Indian Institute of Technology, New Delhi. She is an MBA and also a CFA charter holder. She is a Charter Member and was a Board Member of TIE-Boston. She has been awarded the Distinguished Alumni Award from IIT Delhi. She was also awarded the Best Woman Director 2016 from the Centre of Corporate Governance & Sustainability.

Mr. Ram Krishna Agarwal
Non-Executive & Independent Director

Mr. Ram Krishna Agarwal has over 40 years of experience in various fields like Audit, Taxation, Company Law, Consultancy etc. He has been a Partner with S. R. Batliboi & Co. (Member firm of Ernst & Young in India) since 1978 and was the Managing Partner of the Firm at the time of his retirement in June, 2013. Mr. Agarwal is the past President of The Institute of Internal Auditors, India and was a member of the Central Council of The Institute of Chartered Accountants of India during 1991-97. Mr. Agarwal is connected with various Chambers of Commerce as the Committee Chairman / Executive Committee member, permanent invitee etc. and is a past Chairman of CII (Eastern Region). He was the National Chairman of Direct Tax Sub - Committee of CII in the year 2013-14.

Mr. Malay Mukherjee
Non-Executive & Independent Director

Mr. Mukherjee has over 40 years of experience in the field of Banking and NBFC including Venture Funding, Factoring and Broking. He was the Chief Executive Officer and Managing Director of IFCI Limited and was responsible for the growth and development of the business of IFCI. He also held the position of Chairman in various group Companies of IFCI Limited. As an Executive Director at the Central Bank of India, he looked after portfolios such as Credit, HR, General Administration, IT, Corporate Communications, Publicity, Marketing, Client coverage and New Initiatives. Further, being associated with Indian Bank for 36 years he accrued wide field exposure, having worked in various branches, regions and zones including Assam, Bihar, West Bengal, Karnataka, Maharashtra, Gujarat and New Delhi. He has been the past Chairman of Board of Governors of Management Development Institute (MDI) and Chairman of Institute of Leadership Development, Jaipur. Additionally, he was also a member of the Governing Body of Entrepreneurship Development Institute of India (EDII), Ahmedabad.

Mr. Balaji Viswanathan Swaminathan
Additional Director (Category – Non-Executive & Non-Independent)

Mr. Balaji Swaminathan is a Bachelor of Commerce from St. Xavier's College. Further, he is a Chartered Accountant, Cost & Works Accountant and an alumnus of Harvard Business School. Mr. Swaminathan's professional career spans three decades in various leadership roles in the domain of finance and consultancy. Having played a key role in establishing global consultancy firm KPMG's presence in India, he was actively involved in the listing of various Indian companies on US stock exchanges. As the CFO of ICICI Bank, he had been instrumental in overseeing the merger of ICICI Bank with ICICI Ltd. As head of the corporate banking of ICICI Bank, he spearheaded the bank's transformation from a project finance institution to a commercial bank. Mr. Swaminathan's subsequent stints at Standard Chartered Bank and Bank of America saw him getting active in corporate and investment banking which resulted in expanding the client base of these institutions across geographies in South and South East Asia. As President - International at Westpac Banking Corp. Asia, Mr. Swaminathan has overseen the Bank's footprint expansion across Asia and global markets like Europe and America. In addition, Mr. Swaminathan has been advising different companies across multiple sectors in various capacities. Mr. Swaminathan has also previously served on various boards including JSW Steel Ltd., McLeod Russel India Ltd., Firstsource Solutions Limited etc. He is a Board Mentor to Critical Eye, a US based organization.

Dr. Tamali Sengupta
Additional Director (Category – Non-Executive & Independent)

Dr. Tamali Sengupta has over 32 years of experience in the legal field and is a specialist in transnational legal transactions in media, real estate development, insurance and infrastructure. She is a widely published author and is a Fellow of the Centre of International Legal Studies at Salzburg. She is the Principal of T. Sen Gupta & Associates, a corporate law practice based in New Delhi, which provides advice on corporate law, entertainment law, intellectual property, insurance, project finance, corporate governance and privatization. She also has extensive experience in international joint-ventures, collaboration and licensing agreements, mergers and acquisitions. She has represented Indian companies in joint-ventures overseas and in relation to joint-ventures in India with multinational corporations. Dr. Sengupta has extensive experience in the structure of projects implemented under Project Finance and on foreign participation in the privatization of infrastructure. Sectors worked on include roadways, railways, ports, power and township development, both in India and overseas. She has wide experience in negotiations and drafting documents for privatization projects and has dealt with various forms of contractual agreements for project finance, including inter alia, Concession agreements (BOT, BOOT, BOLT) as well as EPC & O&M Contracts.

SREI

DIRECTORS' REPORT

Dear members

Your Directors are pleased to present the Thirty-Fourth Annual Report together with the Audited Accounts of your Company for the financial year ended March 31, 2019. The summarised consolidated and standalone financial performance of your Company is as follows:

FINANCIAL SUMMARY & STATE OF COMPANY AFFAIRS

(Rupees in Lacs)

	Consolidated		Standalone	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Total Income	6,46,970	5,39,965	1,88,957	1,90,228
Total Expenses (including impairment on financial instruments, depreciation, etc.)	5,88,267	4,82,355	1,76,696	1,77,400
Profit Before Exceptional Items & Tax	**58,703**	**57,610**	**12,261**	**12,828**
Exceptional Items	-	-	-	-
Adjustment on disposal /cessation of Subsidiaries and Associate	8,085	33	-	-
Profit Before Tax	**66,788**	**57,643**	**12,261**	**12,828**
Current Tax	15,158	15,523	-	7,226
Deferred Tax	2,924	2,843	2,794	(3,440)
Profit After Tax but before Loss of Associate	**48,706**	**39,277**	**9,467**	**9,042**
Share of Profit/ (Loss) of Associate	(28)	(1,548)	-	-
Profit After Tax before adjusting Minority Interest	**48,678**	**37,729**	**9,467**	**9,042**
Non-Controlling Interest	(7)	(28)	-	-
Profit After Tax after adjusting Minority Interest	**48,685**	**37,757**	**9,467**	**9,042**
Surplus brought forward from previous year (Retained Earnings)	(1,19,015)	(1,37,354)	11,577	14,231
Other Comprehensive Income (net of tax)	(18)	645	(23)	92
Profit Available for Appropriation	**(70,348)**	**(98,952)**	**21,021**	**23,365**
Paid up Equity Share Capital	50,324	50,324	50,324	50,324
Amount transferred to Reserves	10,391	17,030	2,445	8,761
Other Equity excluding Revaluation Reserves	3,60,793	3,30,177	2,48,384	2,57,654
Earning Per Share (Rs.)	9.68	7.50	1.88	1.80

Note: The above figures are extracted from the standalone and consolidated financial statements for the financial year ended on March 31, 2019

OPERATIONAL REVIEW

Your Company is one of the leading private sector infrastructure financing institutions in India. Some of the key highlights of your Company's performance during the year under review are:

- The gross profit (before Exceptional Items & Tax) is Rs. 12,261 Lacs as against Rs. 12,828 Lacs in the last year.
- Profit before taxation is Rs. 12,261 Lacs as against Rs. 12,828 Lacs in the last year.

- Net profit after taxation is Rs. 9,467 Lacs as against Rs. 9,042 Lacs in the last year.
- The total assets under management of the Srei Group is Rs. 47,06,969 Lacs as against Rs. 47,48,022 Lacs in the last year.

The Capital to Risk Assets Ratio (CRAR) of your Company stood at 15.57 per cent as on March 31, 2019, well above the regulatory minimum level of 15 per cent prescribed by the Reserve Bank of India for systemically important non-deposit taking NBFCs (NBFCs-ND-SI). Of this, the Tier I CRAR was 10.79 per cent.

Key Financial Ratios (in terms of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) are as under -

Particulars	2018-19 (%)	2017-18 (%)
Return on Networth*	3.05	2.85
Yield on Average Funds	13.66	13.23
Cost of Funds	10.47	10.01
Gross Interest Spread	3.19	3.22
Return on Average Assets on Books	0.51	0.47

*Return on Networth is higher for the year ended 31st March, 2019 due to higher rate of growth in Profit After Tax.

There is no significant change (i.e. change of 25 per cent or more as compared to the immediately previous financial year) in the key financial ratios.

The Financial Statements of your Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards (IND AS) and the relevant provisions of the Companies Act, 2013 and rules made therein, as applicable and Regulation 48 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Your Company discloses standalone and consolidated unaudited financial results on a quarterly basis, which are subjected to limited review, and standalone and consolidated audited financial results on an annual basis.

Your Company has complied with all the norms prescribed by the Reserve Bank of India (RBI) including the Fair practices, Anti Money Laundering and Know Your Customer (KYC) guidelines.

TRANSFER TO RESERVES

Your Company proposes to transfer an amount of Rs. 1,893 Lacs to Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934) and Rs. 552 Lacs to Bond / Debenture Redemption Reserve.

CLASSIFICATION AS INFRASTRUCTURE FINANCE COMPANY (IFC) AND PUBLIC FINANCIAL INSTITUTION (PFI)

The Reserve Bank of India (RBI) has classified your Company as an 'Infrastructure Finance Company' within the overall classification of 'Non-Banking Finance Company'. Your Company is also notified as a Public Financial Institution (PFI) by the Ministry of Corporate Affairs (MCA), Government of India.

DIVIDEND

In accordance with Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy is adopted by your Company, covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc. The Dividend Distribution Policy is available on your Company's website at https://www.srei.com/investor/corporate-policies/pdf/dividend-distribution-policy.pdf and is also set out as an annexure to the Directors' Report and forms part of this Annual Report.

Your Company follows a consistent dividend policy that balances the dual objectives of appropriately rewarding Members through dividends and retaining capital, in order to maintain a healthy capital adequacy ratio to support long term growth of your Company. Consistent with this Policy, your Board on March 08, 2019, approved an Interim Dividend of Re. 0.50 per Equity share (5 per cent) for the financial year 2018-19 to the Members of your Company. The said Interim Dividend was paid to those Members whose names appeared on the Company's Register of Members as on closing hours of March 16, 2019, being the record date fixed for this purpose. Your Board did not recommend a final dividend and therefore total dividend for the year ended March 31, 2019 will be Re. 0.50 per Equity share (5 per cent) of face value of Rs. 10 (ten) each. The dividend together with the dividend distribution tax entailed a cash outflow of Rs. 3,032 Lacs (previous year Rs. 3,032 Lacs).

The dividend payout for the year under review is in accordance with your Company's policy to pay sustainable dividend linked to long-term growth objectives of your Company to be met by internal cash accruals.

PUBLIC DEPOSITS

Your Company decided not to accept any further public deposits or renew such maturing deposits in any manner w.e.f. April 20, 2010 and the entire amount of outstanding public deposits as on April 19, 2010 together with interest promised to the depositors, has been kept in an Escrow Account with a scheduled commercial bank for the purpose of making payment to the depositors as and when they raise the claim. Despite sustained efforts to identify and repay

unclaimed deposits, the amount payable to the depositors as on March 31, 2019 is Rs. 99,889.45.

Being a non-deposit taking Company, your Company has not accepted any deposits from the public/members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year and within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

PUBLIC ISSUE OF SECURED AND UNSECURED SUBORDINATED REDEEMABLE NON-CONVERTIBLE DEBENTURES (NCDs)

During the year under review, your Company filed the Tranche 1 Prospectus to access retail public markets pursuant to Shelf Prospectus of Secured and Unsecured Subordinated Redeemable Non-Convertible Debentures (the "Debentures") of face value of Rs. 1,000 each, as per the details given hereunder:

Date of opening of Issue	Base Issue Size (Rs. in Crores)	Total Issue Size including Green Shoe Option (Rs. in Crores)	Maturity Period	Allotment Date	Amount (Rs. in Crores)
09.04.2019*	100	Upto 500	400 days/3 years/5 years	15.05.2019	105.76

*Issue w.r.t. Tranche 1 Prospectus dated March 29, 2019 of Secured NCDs, read together with Shelf Prospectus dated March 29, 2019.

Debenture Trustee Agreement(s) for the aforesaid issue was duly executed with Catalyst Trusteeship Limited. The said Debentures are listed on the Debt Segment of BSE Limited (BSE). According to the object of the issue, proceeds have been utilised for the purpose of lending/ repayment of existing loans and for general corporate purposes.

The public issue of the said Debentures has not only facilitated diversification of your Company's sources for mobilising long term resources but has also provided the retail Investors an opportunity to participate in India's infrastructure development and progress. Through the aforesaid public issue, your Company has acquired nearly 6,300 retail investors. Along with previous issues, your Company now enjoys a retail base of nearly 80,000 investors. The various communication efforts of your Company surrounding the Debentures played a meaningful role in enhancing your Company's brand image amongst relevant constituencies.

PRIVATE PLACEMENT OF UNSECURED PERPETUAL NON-CONVERTIBLE DEBENTURES (NCDs)

During the year, your Company issued unsecured perpetual Non-Convertible Debentures (NCDs) amounting to 320 Crores on private placement basis in various tranches. The issue proceeds raised through Private Placement of NCDs have been utilized for the purpose of refinancing existing debt or for disbursement and for general business purpose.

PROMOTERS' GROUP SHAREHOLDING

As on March 31, 2019, the total shareholding of the Promoters' Group of your Company is 60.7984 per cent and none of the Promoter/Promoters' Group shareholding is under pledge. Further, in compliance with Regulation 31(2) of SEBI Listing Regulations, 2015, the entire shareholding of promoter(s) and promoter group is in dematerialised form.

As on March 31, 2019, the total shareholding of the Promoters' Group of your Company is 60.7984 per cent and none of the Promoter / Promoters' Group shareholding is under pledge.

EXCLUSION OF FUTURES & OPTIONS (F&O) CONTRACTS

Pursuant to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) Circular Ref. No. 130/218 dated December 24, 2018 and Notice No. 20181226 dated December 26, 2018, respectively, Futures & Options contracts of the Company have been excluded from Equity Derivatives Segment of the Stock exchanges and subsequently there were no contracts available for trading in the Derivatives segment with effect from March 01, 2019.

VOLUNTARY DELISTING OF EQUITY SHARES FROM THE CALCUTTA STOCK EXCHANGE LIMITED (CSE)

There being no trading in the equity shares of your Company at the Calcutta Stock Exchange Limited (CSE) from considerable time, your Company made an application to CSE for voluntary delisting of equity shares from CSE in terms of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations"). Subsequently, equity shares of your Company have been delisted from CSE effective July 05, 2018.

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

The Board of Directors of your Company, at its meeting held on January 21, 2019 approved a composite Scheme of arrangement and amalgamation amongst your Company, Srei Equipment Finance Limited ("SEFL") and Srei Asset Finance Limited ("Srei Asset") and respective shareholders and creditors ("Scheme") in accordance with Sections 230 to 232 of the Companies Act, 2013 and the rules made thereunder, which inter alia contemplates the following:

(i) The demerger of the 'Lease Business' of SEFL (the "Demerged Undertaking 1") into Srei Asset pursuant to which Srei Asset will issue shares to the shareholder of SEFL, i.e. your Company ("Demerger 1"). There will be no change in the shareholding pattern.

(ii) On completion of Demerger 1, the remaining business undertakings of SEFL (the "Amalgamating Undertaking") will amalgamate with and into your Company ("Amalgamation"). This being an amalgamation of a wholly owned subsidiary into its parent company, there will be no change in the shareholding pattern. On the transfer of the Amalgamating Undertaking becoming effective, SEFL shall stand dissolved without being wound-up.

(iii) On completion of the Amalgamation, the 'Lease Business', 'Rental Business' and 'Equipment Finance Business' of your Company (the "Demerged Undertaking 2") will demerge into Srei Asset ("Demerger 2"), pursuant to which Srei Asset will issue shares to the shareholders of your Company. Pursuant to this, promoter and public shareholders of your Company shall hold shares in Srei Asset in their existing proportionate shareholding and the existing shareholding of your Company shall be diluted to 22.08 per cent.

The share exchange ratio for the Scheme was approved to be –

- in case of Demerger 1, 10 (ten) fully paid up equity shares of Srei Asset of Rs. 10 each shall be issued for every 21 (twenty one) fully paid up equity shares of Rs. 10 each held in SEFL; and
- in case of Demerger 2, 1 (one) fully paid up equity share of Srei Asset of Rs.10 each shall be issued for every 5 (five) fully paid up equity shares of Rs.10 each held in your Company.

Your Company has filed an application under Regulation 37 of SEBI Listing Regulations, 2015 seeking no objection / observation letters from BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges"). On receipt of no objection letters from the Stock Exchanges, your Company shall file requisite application with the National Company Law Tribunal ("NCLT") to seek its directions for convening meetings of the Shareholders and Creditors of your Company. Subsequent to the receipt of such approvals, your Company shall file a petition with the NCLT for its final approval to the Scheme.

CANCELLATION OF FORFEITED EQUITY SHARES

The Board of Directors of your Company at its Meeting held earlier on March 14, 2000 had approved forfeiture of 4,72,827 (Four Lakh Seventy Two Thousand Eight Hundred Twenty Seven) Equity Shares of your Company for non-payment of arrears of call monies. Since the forfeited shares have not been re-issued and also not been taken or agreed to be taken by any person, the said shares are available for cancellation.

The Board of Directors of your Company have now, subject to shareholders approval, decided to cancel the forfeited Equity Shares and to diminish the paid up value of the said forfeited shares.

Upon cancellation of forfeited shares, the amount of Rs. 15,14,384 (Rupees Fifteen Lakh Fourteen Thousand Three Hundred and Eighty Four only) paid up on these forfeited shares will be dealt with in accordance with applicable Accounting Standards.

Further, the Authorized Share Capital of your Company would not be affected by this cancellation and would remain at Rs. 15,00,00,00,000/- (Rupees Fifteen Hundred Crores only) divided into 1,00,00,00,000 Equity Shares of Rs.

10/- each and 5,00,00,000 Preference Shares of Rs. 100/- each.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

a. Global Outlook

According to the World Bank, global GDP is projected to grow at 2.9 per cent in 2019, lower than the 3 per cent growth achieved in 2018. World Bank expects global growth to slow down further to 2.8 per cent in 2020. The International Monetary Fund (IMF) global growth forecasts, although slightly better than that of World Bank, indicate a slowdown nonetheless. IMF expects global economy to grow by 3.3 per cent in 2019, which is the weakest since 2009, after an estimated growth of 3.6 per cent in 2018. IMF however predicts global growth to recover to 3.6 per cent in 2020. Global economic growth has been slowing down since the second quarter of 2018 and there are no immediate signs of a pick-up. Growing trade tensions have contributed largely to this global slowdown.

The US economy registered strong growth in 2018, riding on the stimulus provided in terms of tax cuts. However, the positive effects of that stimulus seem to be fading and the US economy can slow down in the second half of 2019. The protectionist stance of the world's biggest economy is causing trade friction. China, Europe, Japan, Mexico, India, and many others stand affected. Some of the affected nations have already started retaliating by imposing higher tariffs on goods exported by US. This, if continued, will have wider ramifications across the entire global supply chain.

There has been a sharp downturn in growth in Europe as well. The 19-nation Euro Area is experiencing a contraction in domestic demand along with a steep drop in industrial production. Germany and France together account for almost half of the Euro Area economy. Germany is experiencing a protracted slump in manufacturing, while household spending in France has remained virtually stagnant. The other major economy, Italy, is in a recession. In the UK, the uncertainty over Brexit continues to linger, but the possibility of a "hard Brexit" seems to have been averted, with the European Union extending the deadline for UK's departure to 31st October, 2019.

Japan experienced impressive growth in 2017, but thereafter there has been a deceleration in consumer spending, investment and export throughout 2018. With no improvement in the various macroeconomic parameters, growth is likely to remain muted in 2019.

Several of the major emerging market and developing economies (EMDEs) like China, Russia, Brazil and South Africa have slowed down on account of subdued domestic and global demand. A new round of stimulus focusing on infrastructure creation is expected to revive growth in China. But in spite of the relative slowdown, it is the EMDEs which are expected to be the main drivers of global growth in 2019. According to World Bank forecasts, the EMDEs, after registering a 4.2 per cent growth rate in 2018, will clock another 4.2 per cent growth rate in 2019 and thereafter growth rate will strengthen to 4.5 per cent in 2020. Meanwhile, the advanced economies (AEs), after registering a growth of 2.2 per cent growth rate in 2018, are expected to decelerate to 2.0 per cent growth in 2019 and further slow down to 1.6 per cent in 2020.

While the international crude prices have continued to firm up during the year under review, this is unlikely to continue. A global slowdown will adversely impact international commodity prices, especially crude and industrial metals.

One positive development is the change in stance of the main central banks which had earlier started winding down the quantitative easing undertaken in the aftermath of the global financial crisis of 2008. The US Federal Reserve had started raising interest rates since 2015 which continued until last year, but its recent announcements indicate a switch to a more accommodative strategy. Bank of Japan is continuing with its asset purchase agenda and a negative interest rate policy. European Central Bank, after tapering its stimulus, has expressed its intent to keep interest rates low and, if situation demands, is even open to restart its bond purchase programme.

b. Indian Scenario

The Indian economy continues to be a bright spot in the world map. For one more year India has held on to its position of the fastest growing major economy in the world. According to Central Statistics Office (CSO), for 2018-19, India's GDP growth rate has been estimated to be 7.0 per cent, down from the 7.2 per cent achieved in 2017-18. According to IMF, India's GDP growth rate is expected to pick up to 7.3 per cent in 2019 and to 7.5 per cent in 2020. According to estimates by Asian Development Bank (ADB) and the Reserve Bank of India (RBI), the Indian economy will grow at 7.2 per cent in 2019-20. However, it is worth noting that IMF, ADB, RBI and CSO have reduced their growth forecasts for India in the wake of recent developments. In the October-December quarter of 2018, Indian economy grew at 6.6 per cent, its slowest in last five quarters.

Several high frequency indicators are hinting at a slowdown in the economy. In February, 2019, the industrial output growth slowed to a 20-month low of 0.1 per cent, mainly due to contraction in the manufacturing sector. During April-February 2018-19, the Index for Industrial Production (IIP) grew at 4 per cent as against 4.3 per cent in the same period of 2017-18. Capital goods output contracted by 8.8 per cent in February 2019 indicating a major slowdown in investment. Sales of commercial vehicles also contracted during February. Credit flow to micro, small and medium enterprises (MSMEs) remained tepid. While all these may indicate another slow quarterly GDP growth for January-

March 2019, this slowdown may be temporary and can be attributed to the upcoming General Elections. Once there is clarity on the composition of the next government, investments can once again pick up.

During the year under review, the Indian economy overtook France to become the world's sixth largest economy. India also moved up to 77th position in the World Bank's 'Ease of Doing Business' survey, up by 53 places in the last two years. The India growth story has remained attractive to the global investor community. Inflow of foreign direct investment (FDI) has remained steady. After recording a total FDI (equity + re-invested earnings + other capital) inflow of USD 61 billion in 2017-18, India has managed to attract FDI worth USD 46.6 billion during April-December 2018. Another notable achievement for the economy during the year under review is the total exports (goods and services combined) surpassing the USD 500 billion mark for the first time. While India, like many other EMDEs, can get affected by global developments, the foreign exchange reserve of USD 415 billion provides adequate buffer.

The government has been on the forefront of stepping up investment for the infrastructure sector. Private sector participation in infrastructure investment is yet to pick up despite a number of initiatives taken by the government.

Considerable progress has been made on the roll-out of the Goods & Services Tax (GST). Though the GST regime is still evolving, it has been successful in expanding the tax base and in drawing much of the erstwhile informal activity into the formal sector. With further rationalization of tax rates and expanding the coverage of GST to all sectors, entrepreneurship is likely to take off in a big way.

The jurisprudence in Insolvency and Bankruptcy Code (IBC) is still evolving, but it has ushered in a whole new credit culture in the country. The evolving and maturing of the IBC will address the 'twin balance sheet' problem more comprehensively. However, going forward, this must be followed up with structural reforms in the banking sector in order to improve the process of credit intermediation.

The domestic challenges are not insurmountable. The overall business environment today is much better than what it was during the last few years. The management of your Company is upbeat about India's prospects and is convinced that India will continue to surge ahead of its peers.

NBFCs IN INDIA

In India, the Non Banking Financial Companies (NBFCs) play an active role in meeting the funding needs of those segments of the society who mostly remain unserved by the formal modes of institutional funding. NBFCs are essentially fuelling entrepreneurship by catering to the funding needs of the micro, small and medium enterprises (MSMEs) many of which are involved in the infrastructure sector in services like construction, transportation, etc. Thus, NBFCs are performing a dual role of promoting financial inclusion and nation building.

As on September, 2018, the number of NBFCs registered with the RBI stood at 10,190. Of those, 10,082 are non-deposit taking, which is more than 95 per cent of the total number.

The year under review has been a challenging one for the NBFC sector. Some isolated market events have significantly reduced the flow of funds to NBFCs from the institutional sources. RBI has tried to address the liquidity concerns of NBFCs, but more steps are needed.

The following were some of the important amendments made by the RBI to bolster the regulatory framework of the NBFCs and to provide them relief during the year under review:

- All banks, NBFCs and payment system providers were prohibited from dealing in virtual currencies.
- All exemptions granted to government-owned NBFCs were withdrawn, and as a result, they are also subject to all the regulatory norms as applicable to privately owned NBFCs.
- Systemically Important Non-Deposit Taking Core Investment Companies (CIC-NDSI) were permitted to hold the units of Infrastructure Investment Trust (InvIT) as a sponsor.
- To encourage formalization and growth of MSMEs, banks and NBFCs were temporarily allowed to classify their exposure as per the 180 days past due criteria, to all MSMEs, including those not registered under GST, as a standard asset.
- Co-origination of loans by banks and Systemically Important Non-Deposit Taking NBFCs (NBFC-NDSIs) for lending to the priority sector has been allowed.
- To provide liquidity, single borrower exposure limit for bank funding to NBFCs was increased from 10 per cent to 15 per cent of capital funds up to 31st December, 2018 and further extended to 31st March, 2019.
- Banks were allowed to treat their additional exposure (credit) to NBFCs and Housing Finance Companies (HFCs) as Level-1 high quality liquid assets (HQLA) within the mandatory statutory liquidity ratio (SLR) requirement.
- Securitization guidelines to NBFCs were relaxed, where the Minimum Holding Period (MHP) requirement in respect of loans of original maturity above 5 years, was reduced from 12 months to 6 months.
- Banks were allowed to provide Partial Credit Enhancement (PCE) to bonds issued by NBFC-NDSIs and HFCs.
- External Commercial Borrowings (ECB) framework was substantially relaxed in terms of eligible borrowers, recognized lenders, minimum average maturity period and merging of Tracks I and II as foreign currency

denominated ECB and merging of Track III as rupee denominated ECB. ECB up to USD 750 million permitted under the automatic route.

- One-time restructuring of existing loans to MSMEs without a downgrade in the asset classification.
- With the objective of harmonization of different categories of NBFCs, Asset Finance Companies (NBFC-AFCs), Loan companies (NBFC-LCs) and Investment Companies (NBFC-ICs) have been merged into one new category called Investment and Credit Company (NBFC-ICC).
- NBFC-NDSIs are covered under the Government of India's Interest Subvention Scheme for MSMEs.
- All bank exposures (funding) to all NBFCs except Core Investment Companies (CICs) will be risk weighted as per the ratings assigned by accredited credit rating agencies.

Your Company is continuously monitoring all these developments and is on the lookout for new opportunities. Your Company has been one of the most prestigious NBFCs in the country. Keeping in mind the recent challenges that have surfaced in the NBFC sector, your Company has stepped up its interactions with the government and the regulators.

BUSINESS OUTLOOK AND FUTURE PLANS

During the year under review, the government continued its efforts towards enhancing India's attractiveness as an investment destination which resulted in:

- India climbing up 23 positions (from 100th in 2017 to 77th in 2018 among 190 countries) in the World Bank's Ease of Doing Business Index
- India moving up 5 places (from 63rd in 2017 to 58th in 2018) in the Global Competitiveness Index of the World Economic Forum
- India's rank improving from 60th in 2017 to 57th in 2018 on the Global Innovation Index of World Intellectual Property Organization.

In order to sustain the growth momentum and to create jobs, the government has been proactively spending on infrastructure creation. According to the Interim Budget 2019-20, the total capital outlay for infrastructure in 2019-20 has been kept at Rs. 4.7 trillion (approximately USD 70 billion). Among infrastructure segments, railways and roads are the biggest beneficiaries for 2019-20.

For 2019-20, the railways are to undertake the highest-ever capital expenditure of Rs. 1.58 trillion (approximately USD 22 billion) which also involves an all-time high budgetary support of Rs. 646 billion (approximately USD 9 billion).

In the Interim Budget, Pradhan Mantri Gram Sadak Yojana (PMGSY), the flagship programme to construct rural roads, has been allocated Rs.19,000 crore (approximately USD 2.7 billion).

Other than these, the Interim Budget mentioned the plan to create one lakh digital villages over the next 5 (five) years and also announced a number of initiatives aimed at bolstering the rural infrastructure that will encourage entrepreneurship. In addition, the decision to exempt levy of notional income on a second property owned by a tax-payer is expected to provide a boost to the housing sector.

The year under review also witnessed several notable developments in the infrastructure sector :

- The average pace of highway construction scaled a new high of 30 km / day, with the average touching a record high of 31.87 km / day in December, 2018. With the HAM (hybrid annuity model) and EPC (engineering-procurement-construction) taking care of most of the construction risk, private sector participation in highway projects is growing. This augurs well for the Bharatmala programme under which 34,800 km of highways are being constructed at a cost of Rs. 5.35 trillion (USD 77 billion).
- The Sagarmala programme, which entails projects involving port modernisation, capacity augmentation, port connectivity (including coastal shipping and inland waterways), port-led industrialisation and development of coastal communities, involves investments of over Rs. 8 trillion (approximately USD 114 billion).
- With rising levels of income and affordability, air traffic is growing fast in India. While 103 airports are operational now, India is expected to require 150-200 airports by 2035. Under the UDAN (Ude Desh ka Aam Nagrik) scheme, India is expected to add 75 airports in the next 3-4 years.

In addition, during the year under review, the government has introduced a National Mineral Policy (for non-fuel and non-coal minerals), a Hydro Power Policy and a National Digital Communication Policy. These, along with some more sector-specific announcements in the Union Budget 2019-20 (once the new government takes office), are likely to set in motion the conceptualization and implementation of more infrastructure projects. Thus, there will be a steady pipeline of infrastructure projects in the years to come.

Demand for infrastructure equipment is expected to multiply as a result of all these. Thus, demand for financing of such assets is also bound to rise. Apart from demand for construction, mining and allied equipment, a spurt in demand for agriculture and healthcare equipment is also expected. All these open up huge opportunities for your Company.

Your Company is actively tracking all these developments and the management is confident that the business scenario will improve significantly during Financial Year 2019-20.

BUSINESS REVIEW

The business activities of your Company are categorised into Fund based and Fee based activities.

I. FUND BASED ACTIVITIES

INFRASTRUCTURE PROJECT FINANCE

Since infrastructure is responsible for propelling growth of other sectors and India's overall development, the Government of India is giving huge impetus for the development of Infrastructure and construction services through focused policies such as open FDI norms, large budget allocation, Smart cities mission, etc. India has become a large market for Infrastructure and Construction activities with the contribution of US $ 738.5 Billion in FY 2017 and is expected to become 3rd largest market in the world by 2025 (KPMG Infrastructure Report).

Your Company has a diversified fund allocation across various infrastructure segments. Your Company believes that this acts as a hedge against headwinds in a particular industry.

Power

The Government of India has identified power sector as a key sector of focus so as to promote sustained industrial growth. Some initiatives by the Government of India to boost the Indian power sector:

- As of September, 2018, a draft amendment to Electricity Act, 2003 has been introduced. It discusses separation of content & carriage, direct benefit transfer of subsidy, 24*7 Power supply is an obligation, penalisation on violation of PPA, setting up Smart Meter and Prepaid Meters along with regulations related to the same.
- Ujwal Discoms Assurance Yojana (UDAY) was launched by the Government of India to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15 per cent by FY19.
- The Government of India approved National Policy on Biofuels – 2018, the expected benefits of this policy are health benefits, cleaner environment, employment generation, reduced import dependency, boost to infrastructural investment in rural areas and additional income to farmers.

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

Coal-based power generation capacity in India, which currently stands at 190 GW is expected to reach 330-441 GW by 2040.

Your Company has allocated about 29 per cent of its total allocation to this sector diversified into generation and transmission & distribution.

Roads

India has second largest road network in the world, spanning over a total of 5.5 million kms. The Indian road network carries around 65 per cent of the total freight traffic, while, 90 per cent of the total passenger traffic uses road network to commute.

Road sector has witnessed series of government initiatives to tackle execution woes and resurrect investor confidence over last four years. As per Union Budget 2019-20, the Government of India provided an outlay of Rs. 1.12 trillion (US$ 15.48 billion) under the Ministry of Road Transport and Highways.

Despite challenging fund raising environment, concerns regarding effective implementation of contractual reforms under Hybrid Annuity Model

India has become a large market for Infrastructure and Construction activities with the contribution of US $ 738.5 Billion in FY 2017 and is expected to become 3rd largest market in the world by 2025.

(HAM) on ground and increase in time and cost for land acquisition the length of national highways constructed reached 6,715 km at a pace of 24.42 kms per day between April-December 2018.

Increase in pace of award and execution during FY19, acceptability of toll-operate-transfer (TOT) model amongst investors and favorable features of Hybrid Annuity Model (HAM) gave a boost to the investor confidence in the sector.

With various policy initiatives taken in FY19, the Government of India aims to complete 200,000 km national highways by 2022.

During the year, your Company has selectively participated in financing road projects by NHAI and State Authorities. Your Company has allocated about 18 per cent of its total allocation to this sector.

SEZ & Industrial Parks

The Special Economic Zone (SEZ) policy was introduced by the Government of India in year 2000 to overcome the shortcomings of the Export Processing Zones (EPZ) like size, infrastructure constraints, location handicaps and lack of policy framework.

As on March, 2019, formal approvals over 410 have been granted for setting up of Special Economic Zones, out of which around 350 SEZs have been notified and are in various stages of operation. Out of these, more than 230 are operational.

Special Economic Zones have attracted total investment of over Rs. 5,00,000 crore and provided employment to over 20,00,000 people as on December, 2018. Annual exports from Special Economic Zones have exceeded Rs. 50,00,000 crore p.a. since FY 2017.

During the year, your Company has selectively participated in financing projects in this sector. Your Company has allocated over 9 per cent of its total allocation to this sector.

Ports

According to the Ministry of Shipping, around 95 per cent of India's trading by volume and 70 per cent by value is done through maritime transport.

India has 12 major and 205 notified minor and intermediate ports. Under the National Perspective Plan for Sagarmala, six new mega ports will be developed in the Country. The Indian ports and shipping industry plays a vital role in sustaining growth in the country's trade and commerce. India is the sixteenth largest maritime country in the world, with a coastline of about 7,517 km.

Increasing investments and cargo traffic point towards a healthy outlook for the Indian ports sector. Providers of services such as operation and maintenance (O&M), pilotage and harbouring and marine assets such as barges and dredgers are benefiting from these investments.

The capacity addition at ports is expected to grow at a CAGR of 5-6 per cent till 2022, thereby adding 275-325 MT of capacity. Under the Sagarmala Programme, the government has envisioned a total of 189 projects for modernisation of ports involving an investment of Rs 1.42 trillion (US$ 22 billion) by the year 2035.

Your Company has exposure to this sector by financial participation in a mix of major ports, minor ports and captive ports. The port sector now comprises about 8 per cent of the portfolio.

Water & Sanitation

India accounts for 16 per cent and 15 per cent of global human and livestock population respectively while having access to less than 4 per cent of water resources thereby emphasising the importance and urgent need for investments in the water sector. With current annual investments of US$ 15bn per annum, largely by government, possibly falling short of the estimated US$ 291bn required till 2030, there is growing importance of attracting

Special Economic Zones have attracted total investment of over Rs. 5,00,000 crore and provided employment to over 20,00,000 people as on December, 2018.

private financing in the sector. To attract private sector interest and significantly de-risk financing in the sector, projects in the water infrastructure and waste water treatment are increasingly being awarded under the tested and proven Hybrid Annuity Model (HAM).

During the year, your Company has selectively participated in financing projects in this sector. Your Company has allocated around 2 per cent of its total allocation to this sector.

Your Company aims to be a leader in providing advisory and funding solutions to companies that are operating in the infrastructure sector. Your Company continues to improve its capabilities and bring in best in class technology and solution to its customers.

INFRASTRUCTURE EQUIPMENT FINANCE - SREI EQUIPMENT FINANCE LIMITED

Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company, is registered with the Reserve Bank of India (RBI) as a non-deposit taking NBFC (Category - Asset Finance) and is the leading financier in the Construction, Mining and allied Equipment ("CME") sector in India. In addition to CME, SEFL is also diversified into financing of tippers, IT and allied equipment, medical and allied equipment, farm equipment and other assets. The financial products and services comprise loans for new and used equipment, and leases.

Infrastructure sector has been a key driver for the Indian economy. Government is working towards enhancing India's attractiveness as an investment destination. In order to sustain the growth momentum, government has been spending on infrastructure creation. In the recent years, Indian infrastructure has been enjoying high budgetary allocation, increased number of deals, and participation from the private sector, and greater foreign direct investment (FDI) in the sector.

In the interim Union Budget 2019-20, sectors such as railways, housing and urban affairs, and roads and highways have witnessed increased year-on-year (y-o-y) allocations (excluding Internal and Extra Budgetary Resources (IEBR)) by 21 per cent, 12 per cent, and 6 per cent respectively. The north east sector has received a special focus in the Interim Budget with an allocation of Rs. 58,166 crores, an increase of 21 per cent over the previous budget.

Amid the increased focus of the government in the infrastructure sector, the Indian infrastructure equipment sector is undergoing sweeping changes not just in terms of higher demand, but also due to the digitalization and intelligentization of manufacturing for rolling out highly advanced equipment. In view of the projected growth and government's 'Make in India' initiative, most Original Equipment Manufacturer (OEMs) are upgrading their manufacturing facilities in an intelligent and innovative way by using automation, robotic and advanced technologies and producing high-tech machines that meet global quality standards.

The construction, mining, and allied equipment (CME) industry is estimated to have grown by approximately 10 per cent year-on-year in Fiscal 2019 in terms of unit sales.

During the first half of the year under review, SEFL's disbursement grew to Rs. 8,572 crores compared to Rs. 8,309 crores in the same period in the previous year. The Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) reduced to 3.20 per cent and 1.93 per cent in the first half of the period under review compared to 4.93 per cent and 3.23 per cent, respectively, in the same period last year. In the first half of the year, SEFL's total income and net profit grew by 35 per cent and 86 per cent, respectively, over the corresponding period in the previous financial year.

In the aftermath of the NBFC crisis that unfolded across India's financial system in September 2018, liquidity was constrained in general across NBFCs. There was a marked slowdown in the second half of the year under review that resulted in a decline in disbursements to Rs. 5,109 crore compared to Rs. 8,680 crore during the same period in the previous year. In this second half of the year under review, there was a growth in SEFL's total income by 21 per cent year-on-year and net profit declined 43 per cent year-on-year.

The consolidated impact of both the halves of the 2018-19 review period led to an increase of profit before tax and profit after tax by 3 per cent and 4 per cent, respectively, to Rs. 457 crores and Rs. 306 crore, respectively. The total Asset under Management (AUM) grew to Rs. 32,226 crores, representing an 8.93 per cent growth over last year. The Capital Adequacy Ratio (CAR) remained compliant at 16.08 per cent. In this challenging environment, SEFL has focused on diversifying the liability portfolio to enhance liquidity for future growth and is re-engineering the business model through multiple stake holder partnerships with an endeavour to make the model sustainable.

In the forthcoming year, SEFL would continue to leverage its growth opportunities through its latest capital light co-lending business model with both, public sector and the private sector banks which will enable SEFL to access enhanced liquidity as well as allow the Company to collaborate and widen its market and customer base, thereby helping it maintain its strong market position. While banks will have access to SEFL's strong customer relationships, OEM relationship and programs, domain expertise, risk prognosis tools arising out of three decades of experience and the Company's tested process and policies; it shall also offer customers a win-win scenario with access to affordable financial solutions and other banking products under one umbrella. This model will also enable SEFL to maximize fee income and maintain cost efficiency, thereby helping it deliver improved

performance matrices. The co-lending arrangement shall operate through a digital platform for loan origination, loan dues collection, auction of equipment, valuation of equipment and several other facilities. Meanwhile, SEFL shall continue to conduct direct lending and leasing business activities with its SME and strategic customers. Further, SEFL will remain focussed on upgrading its existing IT capabilities with automated, digitised and other technologically-enabled platforms.

II. FEE BASED ACTIVITIES

INFRASTRUCTURE PROJECT ADVISORY

The Infrastructure Project Advisory Division of your Company is expanding its spectrum as strategic advisors which provide services from concept to commissioning in different domains in Infrastructure.

In order to provide direct assistance to design, develop, manage and implement Smart City Projects as per Smart City Mission Guidelines of Government of India, your Company has been appointed by Muzaffarpur Smart City Ltd. in Bihar and Bareilly Smart City Ltd. in Uttar Pradesh as Project Management Consultant. Your Company has been providing support to the respective Special Purpose Vehicles (SPVs) in overall project management of Smart City projects, including designing, developing, managing and implementing smart city projects identified by the respective cities on two outputs, viz. Area Based Development and Pan-city Solution.

In order to provide houses to all eligible beneficiaries by 2022 under Housing for All Mission of the Government of India by providing assistance either to construct new houses or enhancement of existing houses, your Company has set up a State Level Technical Cell (SLTC) in West Bengal and deployed Technical Experts for providing strategic, operational, implementation and monitoring support as an extended arm of the State Level Nodal Agency (SLNA) for efficient transfer of knowledge and resources under the scheme.

Ministry of Housing & Urban Affairs (MoHUA), Government of India has appointed your Company as Independent Review and Monitoring Agency (IRMA) for Rajasthan Cluster to carry out periodic review and monitoring of the projects under Atal Mission for Rejuvenation and Urban Transformation (AMRUT).

Urban Development Department, Government of Tripura has engaged your Company to formulate GIS-based Master Plan for 20 cities in Tripura with an objective to prepare Development Plan documents for the cities/ towns under the Tripura Town & Country Planning Act, 1975 along with Master Plans for Water Supply, Storm Water Drainage and Solid Waste Management.

Your Company continues to assist Government of Jharkhand by preparing Detailed Project Reports and providing Project Management Consultancy for implementation of Housing for All under centrally sponsored Scheme for a Cluster of 8 cities and towns viz., Jamshedpur, Adityapur, Jugsalai, Mango, Seraikela, Chakulia, Chaibasa and Chakradharpur.

For the Ministry of Food Processing Industries, Government of India, your Company has been working as Program Management Agency (PMA)

- for Mega Food Park Scheme to facilitate establishment of Mega Food Parks that will enable fresh investments into the food processing sector, increase realization for farmers and employment generation across the country.
- for the Scheme for creation of infrastructure for Agro Processing Clusters under the Central Sector Scheme – Kisan Sampada Yojana in order to create modern infrastructure for food processing, closer to production areas and to provide integrated and complete supply chain from farm gate to consumers.
- for the Scheme of Creation/ Expansion of Food Processing/ Preservative Capacities (CEFPPC) under the Central Sector Scheme – Scheme for Agro-Marine Produce Processing and Development of Agro Clusters (SAMPADA) with an objective of creating and processing of preservative capacities and modernisation/ expansion of existing units. This will result in higher processing & value addition, leading to reduction of wastage and enhancement of farmers' income.

Your Company has been acting as Independent Engineer & Auditor for Food Corporation of India to oversee/ supervise setting up of Silos on Design, Build, Finance, Own & Operate (DBFOO) basis for storage of food grains at Sangrur in Punjab and Kannauj in Uttar Pradesh.

Your Company continues to work as Project Management Consultant (PMC) for implementation of Sewerage Scheme in Devorlim, Navelim Zone IV, Mandop Area, Porvorim additional sewerage area and trunk main sewer in Bardez Taluk in Goa for Sewerage & Infrastructural Development Corporation of Goa.

During the year under review, your Company has prepared pre-feasibility reports, detailed project reports and tender documents for full coverage of drinking water to rural population in two Packages viz., Ramgarh and Hazaribagh in Jharkhand. Your Company has also prepared Geographical Information System (GIS) based Master Plan as per Atal Mission for Rejuvenation and Urban Transformation (AMRUT) Guidelines of Government of India for Chas and Deoghar Municipal Corporations in Jharkhand.

Your Company has also been working as Transaction Advisor for (i) Madhya Pradesh Intercity Transport Authority to develop and upgrade bus terminals and their appurtenant infrastructure at six locations viz. Bhopal, Gwalior, Indore, Sagar, Rewa & Jabalpur in Madhya Pradesh to international standard on PPP basis and (ii) Madhya Pradesh

Warehousing & Logistic Corporation for development of 'Trucking Hub' at Saikheda (Sagar) and 'Composite Logistics Hub' at Ujjain in Madhya Pradesh through PPP mode.

Due to low growth in the manufacturing sector, major advisory firms operating in the Engineering Consultancy arena have been shifting their focus to Urban Infrastructure. This trend has led to increased competitive intensity and put pressure on revenue potential. Today, Government clients are designing Consultancy & Advisory projects focused on engaging a team of experts capable of providing end-to-end solutions. This has resulted in longer project durations, back-end fee payments and multi-functional team requirements. The opportunity now lies in Urban Infrastructure sectors like Smart City and AMRUT wherein major precincts of urban infrastructure are being clubbed together under one umbrella project. The ticket size of projects has been increasing as it operates on 'clubbing' all segments. To mitigate business risks and to enhance our position, the Advisory division is working to create synergy within the group and with other external specialized agencies.

Leveraging our core competency coupled with strategic planning for sectors like Urban Infrastructure, Tourism, Transportation, Industrial Park, GIS-based Master Plan, etc. your Company is working on initiatives for sustainable growth. It is the start of a new journey which we feel will result in expanding ourselves to new markets, new business precincts, and enrich our group's capacity in delivering complex, multi-faceted advisory assignments.

Looking Forward

The changing market landscape requires a different approach. Your Company will position itself as an Integrated Solutions Provider. Considering its financing and operating experience, your Company endeavours to differentiate itself by providing higher value added services i.e. advisory services.

The Financial Solutions Group (FSG) advisory leverages your Company's financing and operating experience of around 30 (Thirty) years to provide customised financing solutions. Our unique feature is an integrated offering to our customer base encompassing both financial advisory and capital market services. Additionally, your Company has developed a deep understanding of the Insolvency and Bankruptcy Code (IBC) process through our experienced in-house team and strong relationships with various stakeholders involved in the Corporate Insolvency Resolution Process (CIRP). The advisory services include an array of services ranging from transaction advisory, investment support (debt & equity) and capital market services throughout and subsequent to the CIRP process.

RESOURCES

The Treasury department of your Company has seamlessly managed the available resources at optimum level even during the challenging environment during the second half of last fiscal. The strong & long standing relationship with banks helped your Company to ensure proper asset liability match.

i. Bank Finance

Your Company is funded by a diversified consortium of 26 Indian banks with tied-up fund based working capital limit to Rs. 8,685 crores at the end of financial year. Further, your Company also successfully mobilised Long Term Loans aggregating to Rs. 500 crores during the year.

ii. Bonds / Debentures / Commercial Papers

Your Company has allotted perpetual debentures (Tier I Capital) aggregating to Rs. 320 crores by issue of long term Non-Convertible Debentures (NCDs) during the year under review through Private Placement. Your Company is

Your Company will position itself as an Integrated Solutions Provider.

focussing on diversifying liability mix and hence, going forward, NCDs will be one of the focus areas to augment long term resources. Your Company has also raised Rs. 2,656.85 crores through Commercial Papers during the year under review.

RISK MANAGEMENT

Your Company continues to lay emphasis on risk management, especially in an environment which is characterised by increasing uncertainties. With your Company embarking on a strong business growth trajectory coupled with focus on enhancing shareholders value whilst maintaining high standard of asset quality through optimal asset allocation, risk management holds the key. The strategy of the your Company is based on a clear understanding of various risks, and adherence to well-laid out risk policies and procedures that are benchmarked with best practices prevailing in the industry. Your Company has developed robust systems and embraced adequate practices for identifying, measuring and mitigating various risks – business, strategic, operational, market, credit, liquidity, reputational and process risks and ensuring that they are contained within pre-defined threshold levels.

Governance Structure

The overall risk strategy and direction of your Company is enunciated by the Board of Directors and overseen by the Risk Committee of Board (RCB). Policies approved from time to time by the Board of Directors or the RCB in consultation with other sub-committees of the Board, viz. the Credit Committee (CC) and the Asset Liability Management Committee (ALCO), constitute the governing framework for various types of risk and business activities undertaken within this policy framework. Overall risk management is guided by well-defined procedures appropriate for the assessment and management of individual risk categories viz. credit risk, market risk, operational risk, liquidity risk, counterparty risk and group risk supplemented by periodic validations of the methods used. Under the guidance of RCB, the Risk department is responsible for assessing and managing risks on a regular and dynamic basis. This entails, as an imperative, garnering adequate knowledge of macroeconomic trends, insights into dynamics of various sectors, understanding of regulatory environment and application of quantitative and qualitative tools facilitating an accurate assessment of risk at all times.

Credit Risk

Credit risk assessment of your Company's borrowers or lessees constitutes a major part of overall risk management strategy. The primary objective of credit risk management is to maximise risk-adjusted rate of return on capital by maintaining a high quality asset portfolio and managing the credit risk inherent at individual and at the portfolio level. Strong emphasis is placed on evaluation and containment of risk at the individual level and analysis of the portfolio behaviour. The contours of credit risk assessment are defined by a comprehensive and well-defined Consolidated Risk Policy which encompasses guidelines for monitoring and mitigating the risks associated with them, structured and standardised credit approval processes through proactive policies which are reviewed regularly and updated at frequent intervals to take into account evolution in the micro and macro economic environments.

Your Company has a strong framework for the appraisal and execution of credit facilities (both fund and non-fund) that involves a detailed evaluation of industry, business, financial, project and management factors including sponsor's financial strength and experience. A team of well qualified and experienced individual examine the proposals at various levels and evaluate all information which are gathered from relevant sources during the assessment

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process to facilitate credit decisions of the Credit Committee. For every proposal, the key risks and mitigating factors are identified. Residual risks are addressed through various mechanisms, which may include creation of adequate security cover by way of debt service reserves, channelling revenues through a trust & retention account and taking additional credit comforts such as corporate or personal guarantees and/or a pledge of equity holding. Besides well defined procedures for credit sanctioning, there are robust mechanisms to monitor and review existing credit exposure at the portfolio and individual level. Portfolio level performance, including delinquency, is tracked very closely at regular intervals with main emphasis on detection of early warning signals of stress. The RCB periodically reviews the adherence to sector, borrower and group exposure limits and impact of the stress scenarios or drop in the asset values in case of secured exposures on the portfolio. Key sectors are analysed in details to suggest strategies considering both risks and opportunities.

Market risk

Market risk is the risk of diminution in the value of investments on account of extraneous market factors like inadequate market liquidity, or volatile interest rates and foreign exchange rates. As an integral part of the overall risk management system, your Company addresses different forms of market risks, viz., liquidity risk, interest rate risk and foreign exchange risk. Your Company has adopted a comprehensive approach for market risk that not only hedges against market risks, but also endeavours to maximise the risk-adjusted rate of return of the portfolio by keeping close track of macro-economic developments including changes and its impact on movement in interest rates, foreign exchange rates and liquidity position in the market.

Your Company's market risk management is guided by well-laid policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of your Company. With a view to limit your Company's exposure to liquidity and interest rate risks, risk limits are specified with the approval of the Board of Directors. Your Company's Asset Liability Management Committee (ALCO) periodically reviews benchmark rates, your Company's borrowing mix and liquidity, funding and currency risk, and monitors the actual risk positions. Based on these requirements, steps are taken to maintain a safe distance from these risks in accordance with the specified levels. Treasury Mid-Office independently monitors the risk limits stipulated in the market risk policy and reports deviations, if any, to the appropriate authorities as laid down in the policy.

Liquidity risk is two-dimensional: risk of being unable to fund portfolio of assets at appropriate maturity and rates (liability dimension) and the risk of being unable to liquidate assets in a timely manner at a reasonable price (asset dimension). The ALCO lays down a broad framework for liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them. The liquidity profile is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically. The Asset Liability Management (ALM) position of your Company is being periodically reported to ALCO, RCB and also to the RBI.

Interest rate risk is the possible change in portfolio value due to interest rate fluctuations. Your Company manages interest rate risk by adopting a floating rate mechanism by linking the lending rate of interest to Srei Benchmark Rate, which is reviewed periodically with changes in your Company's cost of funds.

Foreign exchange risk management becomes an imperative as your Company borrows money in foreign currency and lends in domestic currency. Therefore, in order to optimise the cost of funds and diversify the funding mix, effective hedging strategies are put in place in keeping with the Company's risk appetite; and limits pertaining to an open position are devised. Your Company uses statistical measures like Value at Risk (VaR) method, stress tests, back tests and scenario analyses and continuously monitors the market movements to effectively manage the exchange rate risk.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Your Company has adopted strict measures towards formulating an effective operational risk management strategy which involves identification, assessment, review, control and reporting of key operational risks.

Your Company has built into its operational process proper segregation of functions, clear reporting structures, well-defined processes, operating manuals, staff training, verification of high value transactions and strong audit trails to control and mitigate operational risks. New product and activity notes prepared by business units are reviewed by all concerned departments including compliance, risk management and legal. Measurement and reporting is also achieved through the various management information systems (MIS), providing easily retrievable information, intertwined with each operational process which are generated and monitored regularly. All concerned departments coordinate and discuss key operational risk issues involving people, process, and technology, external factors etc. so as to minimise them or ensure adequate controls over them.

Your Company has a well-defined approach to identify, measure and

mitigate information technology (IT) risks. Risk registers across various processes are assessed for likelihood and vulnerability of threats, and their acceptability evaluated based on existing controls. Appropriate controls are adopted based on guidance provided by the globally accepted ISO27001:2013 standard. Your Company has been evolving towards a centralised control mechanism for better deployment and management of resources, an increasingly rigorous surveillance and classification of information to ensure a robust IT Risk management system.

Your Company has a well-designed Business Continuity Plan (BCP), whose effectiveness is gauged by proper testing mechanisms and which ensures continuity of business in the unlikely event of business disruption. In order to provide continued and uninterrupted service even during natural disasters, a Disaster Recovery (DR) Site is in place. All IT systems have been certified with the ISO27001:2013 standard, and comprise features like DR, security features covering firewalls, encryption technologies and spam-guards, which provide protection against disruption and modification of information. To further enhance the Standard Operating Procedures and various technological functions, your Company has been investing so as to keep its technological systems constantly updated across the various domain functions.

In addition, to manage operational risk prudently, Know Your Customer (KYC) and Anti-Money Laundering (AML) Policy are in place, which helps to prevent your Company from being used intentionally or unintentionally by criminal elements for money laundering.

Your Company's risk management framework emphasises proper analysing and understanding the underlying risks before undertaking any transactions and changing or implementing processes and systems. This enables a proper assessment of all risks and ensures that the transactions and processes conform to your Company's risk appetite and regulatory requirements. This is facilitated by a robust governance structure, which includes multi-tiered approval levels for all transactions and processes. This mechanism is aided by a regular review of the portfolio and control mechanisms, undertaking self-assessment programmes and monitoring of key risk indicators.

HUMAN RESOURCES ACTIVITIES

During the year under review, your Company continued with the three pillars of the people strategy that continued from last year. These were focussed on building organization capability, creating process excellence and working on strengthening the collaborative culture.

Your Company has continued to focus on leveraging technology and digitization as a key part of its people strategy, driven by HR.

Your Company partnered with India's premier B-School – XLRI, Jamshedpur, to co-create a M&A Case Study Competition, SREI-XLRI DEALBOOK 2019. The response was overwhelming and a total of 80 colleges, 450+ registrations and 4958 views were received. The plan is to partner with XLRI more on such campus branding activities.

As a part of your Company's Leadership Development initiatives, your Company together with Korn Ferry Hay Group will be working with selected senior leaders in building future-oriented leadership capabilities. Each leader will have an individual development plan which is based on assessments carried out in a Development Centre. The interventions include workshops, coaching, action learning projects, among others, as per individual needs.

Your Company has undertaken several people development interventions over the last year. In order to create "Robust People Bench Strength" across key functions, your Company has undertaken market mapping with NBFCs / Financial Services companies and a white paper on synergies and gaps, talent infusion to provide a blend of "new skills" and "existing skills" to its reservoir; 9 Box Model implementation to ascertain key talents of your Company. Interventions to build and strengthen people, process and product design in structured credit have also been undertaken.

In order to exponentially increase collaboration, idea sharing and engagement between employees, your Company had earlier launched Srei Sampark, an app based social media platform which also acts as a digital sensor for employee mood and engagement. This has gone from strength to strength. This platform has been used for several major initiatives including engagement activities, Employee Value Proposition (EVP), competitions, surveys etc.

For your Company, all employees form part of an extended family - the Srei Parivar and your Company has continued in its efforts to encourage wellness in mind, body and spirit. Through Swasth Srei, your Company continues to encourage wellness and healthy lifestyles of the employees.

The cloud based Human Resource Management System (HRMS) which was launched in the year 2016 has been extended to cover more areas of HR operations.

The employee count of your Company stands at 124 (One Hundred Twenty Four) as on March 31, 2019.

INFORMATION TECHNOLOGY

Information Technology (IT) in your Company has successfully imbibed new upcoming opportunity opened up in as Co-Lending operating model and thus have been able to grab newer avenues in the market place which will facilitate to retain the industry leadership. During the year your Company has also embarked upon analytics journey leveraging on nearly thirty years of business experience and to create reach data model to automate business acquisition process in the year to come. Major thrust has been given to enhance the ability to scan untapped business opportunities through analytics.

Your Company has been able to implement the requirements as prescribed in the Master Directions - Information Technology Framework for

the NBFC Sector dated June 08, 2017 issued by the Reserve Bank of India (RBI) and continue to take necessary actions accordingly.

Comprehensive security strategies have been framed, and the controls have been designed to mitigate the risk and enhance resistance to cyber-attacks. Your Company has revamped the risk management methodology by putting in place required cyber security risk management processes across all major IT applications through monitoring of logs and effective implementation of Security Operations Center (SOC).

Your Company has taken up initiative to upgrade the major business applications eying at enriched operating processes enhanced security features to ensure scalability step up in the technology curve. Your Company's technology plan is now poised to boost up the market penetration program and Go-To-Market strategy focussed at improved customer experience through straight through processing and simplification as well as industrialisation of acquisition process. Your Company's IT strategy has given emphasis on costs associated with IT performance with due understanding at all steps in the new implementation projects.

INTERNAL CONTROL AND AUDIT

Your Company's vision, mission and core values have laid the foundation for internal controls. On the administrative controls side, your Company has a proper reporting structure, oversight committees and rigorous performance appraisal system to ensure checks and balances. On the financial controls side, your Company has in place segregation of duties and reporting mechanism to deter and detect misstatements in financial reporting.

Your Company's Internal Control System is commensurate with the nature of its business and the size and complexity of its operations and ensures compliance with policies and procedures. The Internal Control Systems are being constantly updated with new / revised standard operating procedures.

Further, in accordance with the latest legislation, your Company's Internal Financial Controls (IFC) have been reviewed and actions have been taken to strengthen financial reporting and overall risk management procedures. Further, an Information System (IS) Audit of the internal systems and processes is conducted at least once in a year to assess operational risks faced by your Company.

Your Company has a dedicated and independent Internal Audit Department reporting directly to the Audit Committee of the Board. The purpose, scope, authority and responsibility of the Internal Audit Department are delineated in the Audit Charter approved by the Audit Committee. Internal Audit Department influences and facilitates improvements in the control environment by constantly evaluating the risk management and internal control systems.

Furthermore, the Audit Committee of your Company evaluates and reviews the adequacy and effectiveness of the internal control systems and suggests improvements. Significant deviations are brought to the notice of the Audit Committee and corrective measures are recommended for implementation. Based on the internal audit report, process owners undertake corrective action in their respective areas. All these measures help in maintaining a healthy internal control environment.

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

Environmental & Social Management System (ESMS) is followed by your Company as the process of sustainable business practice to adequately meet, respond to and enhance benchmarks in Environmental and Social (E&S) management. E&S risks associated with a proposal considered for investment and its existing portfolio are adequately taken care of by ESMS, which has been adopted to reduce the business risk of its portfolio related to E&S issues and adhere to Sustainable Finance Practice, which has been integrated as

Your Company has revamped the risk management methodology by putting in place required cyber security risk management processes across all major IT applications through monitoring of logs and effective implementation of Security Operations Center (SOC).

a part of overall Credit & Risk Policy. This management system is aimed at properly evaluating, assessing and ensuring customer compliance with relevant Environmental, Social, Health & Safety requirements during construction and operation of infra projects/activities and encourages clients to initiate corrective action & mitigation plans against the identified E&S risks.

The core elements of ESMS of your Company are a self-declared E&S Policy Framework, due-diligence (rapid, sustainability, client risk assessment, project/activity risk categorization and if required site inspection), appraisal (analysis of E&S impacts, suggesting of E&S impacts and client's capacity & commitment to address them), mitigation measures, action plans, monitoring & review of ongoing / invested projects, training & workshop and continuous improvement of the system. By following ESMS practice, your Company has been able to create branding of your Company and awareness in the market regarding relevance of E&S risks and their impacts on the society and the environment.

A full scale E&S due-diligence is carried out in your Company for any business activity as per International Finance Corporation (IFC) Performance Standards, World Bank Environmental & Social Framework (ESF) guidelines and Country's E&S laws, rules & notifications, based on which a 'go' or 'no go' decision is given by ESMS team for a loan proposal. Your Company maintains an international standard exclusion list and your Company neither participates nor invests in the activities and industries which fall under this exclusion list. Your Company only invests in the projects/activities, which comply with the applicable environmental & social norms and laws of the Country.

As a part of sustainability strategy, your Company entered into a Capacity Development Agreement with Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) [Netherlands Development Finance Company] and Oesterreichische Entwicklungbank AG (OeEB) [Development Bank of Austria] to launch a corporate roll-out programme for its clients called Environmental & Social Management System - Corporate Rollout Programme (ESMS – CRP). The purpose of the programme is to control the business risk out of different E&S issues from its own and its clients' portfolio, gain control over third party risks and carry out the business with a better E&S risk management. In the process, your Company's brand image in the market is enhanced.

Under this ESMS-CRP, your Company prepared sector specific ESMS policy manual based on IFC PS & Country's E&S Standards for its clients' business and facilitated Health, Safety and Environmental (HSE) training program. In post implementation stages, your Company helped the clients in E&S monitoring and audit of their ESMS performance improvement. Adoption of ESMS-CRP for the clients of your Company has been made mandatory from FY 2016 onwards for any fresh exposure. This programme reduced business risk out of any E&S issues substantially from your Company's portfolio and helped your Company to gain third party control. Your Company implemented ESMS-CRP with 15 (fifteen) Clients and delivered them sector specific ESMS Policy framework and Risk toolkits, HSE trainings and mock sustainability audit for these clients to carry out their business with better understanding & mitigation of E&S risks. To evaluate the impact of the ongoing ESMS practice and implemented ESMS CRP, your Company has appointed a sustainable consultant for total programme audit this FY, which is still under progress.

Over the past years, your Company has been able to successfully manage, reduce and control the E&S risks associated with its portfolio. Your Company has encouraged sustainable development by investing in various renewable energy projects. Your Company monitors & reviews the invested projects on a regular basis whereas shortfalls or misconducts are rectified by framing and implementing E&S action plans for the same. Your Company continuously updates and upgrades the ESMS policy framework from time to time. Over the past years, your Company has been able to successfully manage, reduce and control the E&S risks associated with its portfolio.

Your Company believes in a Sustainable Finance Business Approach by considering conservation, management & sustainable use of human & natural resources. This endeavour creates a strong & confident long term relationship with all stakeholders for several years.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility (CSR) Committee of your Company has been constituted in line with the provisions of Section 135 of the Companies Act, 2013. During the year, the Board of Directors of your Company at its meeting held on September 05, 2018 designated Mr. Sandeep Lakhotia, Company Secretary, as the Secretary to the Committee in place of Mr. Madhusudan Dutta. The Committee presently comprises Mr. Hemant Kanoria, Chairman, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Independent Director. Mr. Hemant Kanoria, Chairman of your Company acts as the Chairman of the CSR Committee. Mr. Sandeep Lakhotia, Company Secretary acts as the Secretary to the CSR Committee.

4 (four) meetings of the CSR Committee were held during the year 2018-19 on April 24, 2018, September 03, 2018, November 15, 2018 and March 23, 2019.

The CSR Committee has formulated the CSR Policy which describes the multiple lines around which the CSR activities of your Company are positioned being education and skill development, social and economic welfare, environmental sustainability and such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by the CSR Committee from time to time. The said Policy is available on your Company's website at https://www.srei.com/investor/corporate-policies/pdf/corporate-social-responsibility-policy.pdf.

Your Company perceives Corporate Social Responsibility (CSR) as an opportunity to contribute towards uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy of your Company is embedded in its commitment to all stakeholders namely consumers, employees, environment and society while your Company's approach extends both to external community as well as to your Company's large and diverse internal employee base and their families. Your Company's sustainable approaches towards practicing humble service to Humanity on a sustainable basis, has enabled it to continue fulfilling its commitment to be a socially responsible corporate citizen.

The total amount available for CSR spending, being 2 (two) per cent of the average net profits of your Company made during the 3 (three) immediately preceding financial years, during the financial year 2018-19 aggregated to approximately Rs. 2.74 Crores.

Recognising its social responsibility, your Company has granted donation of Rs. 1,00,00,000/- (Rupees One Crore only) during the financial year 2018-19 to Srei Foundation, a public charitable trust established with the objective of granting scholarships and other financial assistance to deserving and talented candidates. The Fund also supports setting up of schools, colleges, medical and scientific research institutions. Donations to Srei Foundation qualify for deduction under Section 80G of the Income Tax Act, 1961.

Your Company is fully aware of the fact that as a corporate citizen, it is also entrusted with the responsibility to contribute for the betterment of the society at large. During the year under review, your Company extended support to Sonata Foundation towards operational expenses for smooth running of Animal Mobile Clinics used extensively for welfare of animals, with a sum of Rs. 2,40,000/- (Rupees Two Lacs and Forty Thousand only).

Your Company further supported IISD Edu World, formed with the object of imparting, promoting and spreading education for underprivileged children and weaker sections of the society, towards sponsorship fees for students, with a contribution of Rs. 50,00,000/- (Rupees Fifty Lacs only) during the year.

Further, contribution of Rs. 1,25,00,000/- (Rupees One Crore and Twenty Five Lacs only) was made to Srihari Global School Foundation towards development of education, healthcare & wellness and social & economic upliftment. Srihari Global School Foundation is a company incorporated and registered under Section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013) and formed with the aim of extending world-class education across India with a vision to create world citizens with 21st century skills to face the challenges of an unpredictable, rapidly-changing world.

During this year, your Company spent an aggregate amount of Rs. 2,77,40,000/- (Rupees Two Crores Seventy Seven Lacs and Forty Thousand only), being 2.03 per cent of the average net profits of last 3 (three) years, towards CSR activities pursuant to CSR Policy of your Company, which is more than the minimum statutory requirement, being 2 (two) per cent of the average net profits of last 3 (three) years being Rs. 2,73,91,002/- (Rupees Two Crores Seventy Three Lacs Ninety One Thousand and Two only). The manner in which the CSR amount was spent during the financial year is set out as an annexure to the Directors' Report and forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility (BR) Report as stipulated under Regulation 34(2) (f) of SEBI Listing Regulations, 2015, describing the initiatives taken by your Company from an environmental, social and governance perspective, forms part of the Annual Report.

Further, your Company has formulated a BR Policy approved in line with the provisions of SEBI Listing Regulations, 2015. The policy describes the principles of sustainable business that delivers value for its stakeholders including but not limited to its shareholders, employees, clients, business partners and the wider community.

SREI WEBSITE

The website of your Company www.srei.com has been developed on the new responsive technology based platform known as 'Drupal', ensuring uniform display across all devices like mobile, tablet, desktop etc. and all the operating systems. The website has an inbuilt sophisticated and customized content management system for easy change in content. A simple, improved navigation system needs a lesser number of clicks to reach the information available in the different sections of the website. The contemporary and smart look of the website ensures a customer centric approach catering to the requirements of prospective customers, investors, employees and other stakeholders. The website of your Company also has 'Live Stock Ticker' with dynamic display of current stock prices in BSE and NSE with respective market caps, along with a link to your Company's YouTube channel. The site carries a comprehensive database of information of interest to the investors including the financial results of your Company, dividend declared, unclaimed dividend list, shareholding pattern, any price sensitive information disclosed to the regulatory authorities from time to time, analysts' reports, investor presentations, standard downloadable forms, media coverage, corporate profile and business activities of your Company and the services rendered by your Company to its investors. Some useful features like Online Resume Management System to pull the best talents and Online NCD Application Form download system as a part of fund raising initiatives are functional in the system. An auto generate functionality with unique form ID for Non-Convertible Debenture (NCD) form was created in 2017. Your Company's integration of the customer portal in the corporate website still enables customers to access their account and download the essential documents directly from the website. By introducing the download facility of MySREIApp mobile application from the website, your Company extends the

digital services and creates an 'anywhere anytime' experience like never before. The multiplatform mobile app empowers customers to raise service request, contact relationship managers, send request for new finance etc. The links to different social media i.e. Facebook, YouTube, Twitter, LinkedIn is embedded in the home page of the website to get access of the key initiatives and achievements of your Company.

SUBSIDIARY COMPANIES

The Statement in Form AOC-1 containing the salient features of the financial statement of your Company's subsidiaries and associates pursuant to first proviso to Section 129(3) of the Companies Act, 2013 (Act) read with Rule 5 of the Companies (Accounts) Rules, 2014, forms part of the Annual Report. Further, in line with Section 129(3) of the Act read with the aforesaid Rules, SEBI Listing Regulations, 2015 and in accordance with (Indian Accounting Standards) Rules, 2015 (IND AS Rules) of Schedule III to the Companies Act, 2013, Consolidated Financial Statements prepared by your Company includes the financial information of its subsidiary and associate companies.

A Report on the performance and financial position of each of the Subsidiaries and Associate Companies included in the Consolidated Financial Statements prepared by your Company as per Rule 8(1) of the Companies (Accounts) Rules, 2014, forms part of the annual accounts of each of the Subsidiary and Associate Companies which have been placed on the website of your Company www.srei.com and also forms part of Form AOC-1 pursuant to Rule 5 of the Companies (Accounts) Rules, 2014, which is set out as an annexure to the Directors' Report and forms part of this Annual Report. Members interested in obtaining a copy of the annual accounts of the Subsidiaries and Associate Companies may write to the Company Secretary at your Company's Registered Office. The said Report is not repeated here for the sake of brevity.

The names of companies which have become or ceased to be subsidiaries, joint ventures or associate companies during the year are given below:

By introducing the download facility of MySREIApp mobile application from the website, your Company extends the digital services and creates an 'anywhere anytime' experience like never before.

Name	Status
Attivo Economic Zone (Mumbai) Private Limited	Ceased to be an Associate w.e.f. 29.09.2018.
Bharat Road Network Limited	Became an Associate w.e.f. 21.01.2019 and ceased to be an Associate w.e.f. 30.01.2019.
Quippo Energy Limited	Ceased to be a wholly owned Subsidiary w.e.f. 28.03.2019.
Quippo Oil & Gas Infrastructure Limited	Ceased to be a wholly owned Subsidiary w.e.f. 31.03.2019.
Quippo Drilling International Private Limited	Ceased to be a wholly owned step down Subsidiary (100%) w.e.f. 23.08.2018, but continued to be a step down Subsidiary (74%). Subsequently, ceased to be a step down Subsidiary w.e.f. 31.03.2019.

Highlights of the performance of subsidiaries and associate companies and their contribution to the overall performance of the Company during the period under report are given below:

Name of the Subsidiary / Associate	Turnover / Total Income for the Financial Year ended 31.03.2019 (Rs. In Lacs)	Profit After Tax (PAT) for the Financial Year ended 31.03.2019 (Rs. In Lacs)	% Contribution on Turnover / Total Income for the Financial Year ended 31.03.2019	% Contribution on PAT for the Financial Year ended 31.03.2019
Srei Capital Markets Limited	961.18	35.98	0.1486	0.0739
Srei Alternative Investment Managers Limited (SAIML)	505.49	33.56	0.0781	0.0689
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of SAIML)	3.32	(5.98)	0.0005	-
Cyberabad Trustee Company Private Limited (Subsidiary of SAIML)	0.42	0.03	0.0001	0.0001
Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	1.87	0.04	0.0003	0.0001
Bengal Srei Infrastructure Development Limited	92.04	2.56	0.0142	0.0053
Controlla Electrotech Private Limited	160.00	(33.13)	0.0247	-
Srei Mutual Fund Trust Private Limited	0.21	(6.81)	0.0000	-
Srei Mutual Fund Asset Management Private Limited	105.20	(168.07)	0.0163	-
Srei Insurance Broking Private Limited	781.75	123.01	0.1208	0.2527
Srei Equipment Finance Limited (SEFL)	4,36,684	30,638	67.4967	62.9401
Sahaj e-Village Limited	8,869.24	(5,246.53)	1.3709	-
IIS International Infrastructure Service GmbH*	68.33	(493.46)	0.0106	-

*Under liquidation

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION

There is no such material change and commitment affecting the financial position of your Company which have occurred between the end of the financial year of your Company to which the financial statements relate and the date of the Report.

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

As on March 31, 2019, Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company is a listed 'material' subsidiary of your Company with its, debt securities being listed on the Stock Exchanges in India. However, your Company does not have any material unlisted subsidiary. Your Company has formulated a Policy for determining Material Subsidiaries in accordance with SEBI Listing Regulations, 2015. The said Policy was last revised on February 04, 2019 and is available on your Company's website at https://www.srei.com/investor/corporate-policies/pdf/Policy_on_determining_Material_Subsidiaries.pdf.

KEY MANAGERIAL PERSONNEL (KMPs)

During the year, 4 (four) senior executives of your Company were voluntarily designated by the Board of Directors as Key Managerial Personnel (KMPs) of your Company w.e.f. April 28, 2018, namely, Mr. Sanjeev Sancheti, Chief Strategy Officer, Mr. Chandrasekhar Mukherjee, Group Chief People Officer, Mr. Debashis Ghosh, Internal Auditor and Mr. Samir Kumar Kejriwal, Senior Vice President of your Company, pursuant to the provisions of Section 2(51) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017. Due to organizational change, the list of additional KMPs was revised by the Board of Directors of your Company at its meeting held on February 04, 2019 whereby Mr. Sanjeev Sancheti, Chief Strategy Officer, only continued to be designated as the additional KMP of your Company. Subsequently, Mr. Sanjeev Sancheti ceased to be the KMP of your Company w.e.f. May 20, 2019 and Mr. Shashi Bhushan Tiwari, Chief Risk Officer, was additionally designated as KMP of your Company w.e.f. May 20, 2019, with the approval of the Board of Directors at its meeting held on that date.

Mr. Sandeep Kumar Sultania was appointed as the Chief Financial Officer (CFO) of your Company w.e.f. July 05, 2018. Further, Mr. Sameer Sawhney resigned as Chief Executive Officer (CEO) w.e.f. the close of business hours of September 05, 2018 and Mr. Rakesh Kumar Bhutoria was appointed as the CEO of your Company w,e,f, November 16, 2018.

The following directors/executives of your Company are whole-time Key Managerial

Personnel (KMPs) in accordance with the provisions of Section 2(51) read with Section 203 of the Companies Act, 2013 -

Name	Designation
Mr. Hemant Kanoria	Chairman
Mr. Rakesh Kumar Bhutoria	Chief Executive Officer
Mr. Sandeep Kumar Sultania	Chief Financial Officer
Mr. Sandeep Lakhotia	Company Secretary
Mr. Shashi Bhushan Tiwari	Chief Risk Officer

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of your Company have constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, 2015. The Committee was reconstituted by the Board of Directors of your Company on May 20, 2019 by cessation of Mr. Sunil Kanoria, Non-Executive Director, as Member and induction of Mr. Balaji Viswanathan Swaminathan, Non-Executive Director, as Member of the Committee. The Committee comprises Mr. Shyamalendu Chatterjee, Mr. S. Rajagopal, Independent Directors and Mr. Balaji Viswanathan Swaminathan, Non-Executive Director. Mr. Shyamalendu Chatterjee acts as the Chairman of the Nomination and Remuneration Committee. Mr. Sandeep Lakhotia, Company Secretary of your Company acts as the Secretary to the Nomination and Remuneration Committee. The Terms of Reference of the Committee has been provided in the Corporate Governance Section forming part of this Report.

5 (five) meetings of the Nomination and Remuneration Committee of your Company were held during the year 2018-19 on April 28, 2018, June 23, 2018, September 05, 2018, November 16, 2018 and February 04, 2019.

The Committee has formulated the Nomination and Remuneration Policy ('Srei Nomination and Remuneration Policy') which broadly laid down the various principles of remuneration being support for strategic objectives, transparency, internal & external equity, flexibility, performance-driven remuneration, affordability and sustainability and covers the procedure for selection, appointment and compensation structure of Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The said Policy was last revised on February 04, 2019 and is available on your Company's website at https://www.srei.com/investor/corporate-policies/pdf/Srei_Nomination_and_Remuneration_Policy.pdf.

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Your Company has formulated a codified Whistle Blower Policy incorporating the provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015, in order to encourage Directors and Employees of your Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of your Company and its stakeholders in any way. Your Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy was last revised on February 04, 2019 and is available on your Company's website at https://www.srei.com/investor/corporate-policies/pdf/Whistle_Blower_Policy.pdf.

Further, no complaints were reported under the Vigil Mechanism during the year.

POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

Your Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. Your Company in its endeavour to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another employee's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential.

Your Company has put in place a 'Policy on Prevention of Sexual Harassment' as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at workplace. As per the Policy, any employee may report his / her complaint to the Internal Complaints Committee constituted for this purpose. The said Policy is available on your Company's website at https://www.srei.com/investor/corporate-policies/pdf/policy-on-prevention-of-sexual-harassment.pdf.

Your Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy and that your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year, your Company has not received any complaint on sexual harassment from any of the employees of your Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company is exempted from the applicability of the provisions of Section 186 of the Companies Act, 2013 read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules as your Company is engaged in the business of financing of companies or of providing infrastructural facilities.

PERFORMANCE EVALUATION

The Nomination and Remuneration Committee (NRC) of your Company at its meeting held on February 04, 2019 formulated and laid down the revised criteria and manner for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors, and Chairman) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI Listing Regulations, 2015, covering inter-alia the following parameters namely:

i) Board Evaluation - degree of fulfillment of key responsibilities; Board culture and dynamics, amongst others.

ii) Board Committee Evaluation - effectiveness of meetings; Committee dynamics amongst others.

iii) Individual Director Evaluation (including Chairman and Independent Directors) - Attendance, Contribution at Board Meetings, Guidance/support to management outside Board/ Committee meetings, etc.

Further, the Chairman is additionally evaluated on key aspects of the role which includes inter-alia effective leadership to the Board, adequate guidance to the CEO etc. Independent Directors are additionally evaluated based on fulfillment of Independence criteria as specified in SEBI Listing Regulations, 2015 and Companies Act, 2013 and their independence from the management.

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Individual Directors (including Chairman, Independent Directors and Non Independent Non-Executive Directors). This exercise was carried out through a structured questionnaire prepared separately for Individual Board Members (including the Chairman) and above mentioned Board Committees based on the criteria as formulated by the NRC and in context of the Guidance note dated January 05, 2017 issued by SEBI. The said questionnaire was circulated to the Directors in physical mode and the same was also made available to the Directors on their I-Pads under the 'Diligent Boards' (Diligent) Application to carry out performance evaluation for the Financial Year 2018-19 on the broad parameters as laid down by the NRC.

Based on the above mentioned criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, and Individual Directors (including Chairman, Independent Directors and Non Independent Non-Executive Directors) was evaluated and found to be satisfactory. It was also noted that given the changing external environment, there is need for better allocation of time for business reviews, periodic refreshers for the Board on key strategic thrusts.

During the year under review, the Independent Directors of your Company reviewed the performance of Non-Independent Directors, the Board as a whole and Chairperson of your Company, taking into account the views of Executive Director and Non-Executive Directors.

Further, the Independent Directors hold unanimous opinion that the Non-Independent Directors as well as the Chairman bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of your Company.

The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Chairman has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

The information flow between your Company's Management and the Board is complete, timely with good quality and sufficient quantity.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS (IDs)

In terms of Regulation 25(7) of SEBI Listing Regulations, 2015, your Company endeavors to familiarize the Independent Directors (IDs) about your Company including nature of industry in which your Company operates, business model of your Company, roles, rights and responsibilities of IDs and any other relevant information.

The details of familiarisation programmes conducted for Independent Directors during the year, are furnished in the Corporate Governance Report and are also available on your Company's website at https://www.srei.com/investor/corporate-policies/pdf/Familiarisation_Programme_for_Independent_Directors.pdf.

In addition to the above, the Board of Directors are continuously encouraged to participate in various external training sessions to ensure that the Board members are kept up to date.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return as on the financial year ended on March 31, 2019 in Form No. MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is set out as an annexure to the Directors' Report and forms part of this Annual Report. Further, the Annual Return of the Company can be accessed at https://www.srei.com/investor/financial-reports/financial-statement.

PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions of your Company are entered in the ordinary course of business and are on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. Your Company has not entered into any material related party transactions with any of its related parties during the FY 2018-19. Members may refer to the notes to the financial statements for details of related party transactions.

Since all related party transactions entered into by your Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to your Company. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and your Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates.

In terms of Regulation 23(2) of SEBI Listing Regulations, 2015, your Company obtained prior approval of the Audit Committee for entering into transactions with related parties, as applicable. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

A Related Party Policy has been formulated by your Company for determining the materiality of transactions with related parties and dealings with them. The said Policy was last revised on February 04, 2019 and is available on your Company's website at https://www.srei.com/investor/corporate-policies/pdf/Related_Party_Transactions_Policy.pdf.

PARTICULARS OF EMPLOYEES

The prescribed particulars of remuneration of employees pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out as annexures to the Directors' Report and forms part of this Annual Report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW

Your Company has no activity relating to Conservation of Energy and Technology Absorption as stipulated in Rule 8(3) of Companies (Accounts) Rules, 2014. However, your Company uses information technology extensively in its operations and also continues

Your Company has not entered into any material related party transactions with any of its related parties during the FY 2018-19.

its endeavour to improve energy conservation and utilisation, safety and environment.

During the year under review, the total foreign exchange earnings and expenditure of your Company was NIL and Rs. 6,228 Lacs, respectively (previous year Rs. NIL and Rs. 6,383 Lacs, respectively).

AUDIT COMMITTEE

The Audit Committee of your Company has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015. During the year, the Audit Committee was reconstituted by induction of Mr. Ram Krishna Agarwal and Mr. Malay Mukherjee, Independent Directors, as Members of the Committee by the Board of Directors at its meetings held on September 05, 2018 and February 04, 2019, respectively. The Audit Committee presently comprises Mr. Shyamalendu Chatterjee, Mr. Srinivasachari Rajagopal, Mr. Ram Krishna Agarwal, Mr. Malay Mukherjee, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Shyamalendu Chatterjee, Independent Director of your Company is the Chairman of the Audit Committee.

The Company Secretary of your Company acts as the Secretary to the Audit Committee. The Terms of Reference of the Audit Committee has been provided in the Corporate Governance Section forming part of this Report.

6 (six) meetings of the Audit Committee were held during the year 2018-19 on April 28, 2018, June 23, 2018, September 05, 2018, November 16, 2018, January 21, 2019 and February 04, 2019.

During the year under review, there were no such instances wherein the Board had not accepted any recommendation of the Audit Committee.

AUDITORS

At the 30th Annual General Meeting (AGM) of your Company held on August 01, 2015, Haribhakti & Co. LLP, Chartered Accountants, having Firm Registration No. 103523W / W100048 allotted by The Institute of Chartered Accountants of India (ICAI), were appointed as Statutory Auditors of your Company to hold office for a term of 5 (Five) years from the conclusion of 30th AGM (subject to ratification of such appointment by the Members at every AGM) till the conclusion of the 35th AGM of your Company. The requirement of seeking ratification of the Members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 effective from May 07, 2018. Hence, the resolution seeking ratification of the Members for their appointment is not being placed at the ensuing Annual General Meeting (AGM). The Statutory Auditors hold a valid peer review certificate as prescribed under Regulation 33(1)(d) of SEBI Listing Regulations, 2015.

The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer. Further, the Statutory Auditors have not reported any incident of fraud during the year under review to the Audit Committee of your Company.

SECRETARIAL AUDIT REPORT

Your Company appointed Dr. K. R. Chandratre, Practising Company Secretary, holding membership of The Institute of Company Secretaries of India (Membership No. FCS 1370; Certificate of Practice No. 5144) as the Secretarial Auditor of your Company for FY 2018-19 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report confirms that your Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the Securities Contracts (Regulation) Act, 1956 and Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, SEBI (Delisting of Equity Shares) Regulations, 2009 and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI).

The Secretarial Audit Report for the financial year ended March 31, 2019 does not contain any qualification, reservation or adverse remark or disclaimer and the same forms part of the Annual Report.

CORPORATE POLICIES

The details of Policies adopted by your Company along with salient features and summary of key changes, if any, during the year are provided as annexure to the Directors' Report and forms part of this Annual Report.

CORPORATE GOVERNANCE

Your Company has always practised sound corporate governance and takes necessary actions at appropriate times

for enhancing and meeting stakeholders' expectations while continuing to comply with the mandatory provisions of Corporate Governance.

As required under Regulation 34(3) read with Schedule V of SEBI Listing Regulations, 2015, a separate section on Corporate Governance and a Certificate from the Auditors of your Company confirming compliance with the requirements of Corporate Governance, forms part of the Annual Report.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

6 (six) Board meetings were held during the year 2018-19 on April 28, 2018, June 23, 2018, September 05, 2018, November 16, 2018, January 21, 2019 and February 04, 2019. The maximum time gap between any two consecutive meetings did not exceed 120 (one hundred twenty) days.

DIRECTORS

During the year under review, your Company appointed Mr. Malay Mukherjee (DIN 02272425) as an Independent Director of your Company to hold office for a period of 5 (five) consecutive years from the date of the Thirty-Third Annual General Meeting (AGM) of your Company held on July 21, 2018. Your Company further re-designated Mr. Ram Krishna Agarwal (DIN 00416964) as Independent Director of your Company to hold office for a period of 5 (five) consecutive years from the date of the Thirty-Third AGM of your Company held on July 21, 2018. In this regard, your Company issued formal letter of appointment to the Independent Directors stating inter alia the terms and conditions of their appointment and the same is also hosted on the website of your Company www.srei.com.

The Board of Directors of your Company, based on recommendation of the Nomination and Remuneration Committee, appointed Mr. Balaji Viswanathan Swaminathan (DIN 01794148) as an Additional Director (Category – Non Executive and Non Independent Director) of your Company, liable to retire by rotation, with effect from September 05, 2018 to hold office as such upto the date of 34th (Thirty-Fourth) Annual General Meeting (AGM) of your Company. The Board recommends appointment of Mr. Balaji Swaminathan as Non Executive Director of your Company subject to approval of Members at the ensuing Annual General Meeting (AGM) of your Company.

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company further appointed Dr. Tamali Sengupta (DIN 00358658) as an Additional Director (Category – Non Executive and Independent Director) of your Company with effect from February 04, 2019 to hold office as such upto the date of 34th (Thirty-Fourth) Annual General Meeting (AGM) of your Company. Subject to approval of the Members of your Company, the Board recommends appointment of Dr. Tamali Sengupta as Non Executive and Independent Director of your Company for a period of 5 (five) consecutive years from the date of the 34th (Thirty-Fourth) AGM of your Company.

Your Company has received individual notices from Members pursuant to Section 160 of the Companies Act, 2013, signifying their intention to propose the candidatures of Mr. Balaji Viswanathan Swaminathan and Dr. Tamali Sengupta, for the office of Directors.

The Board of Directors of your Company appointed Mr. Hemant Kanoria (DIN 00193015) as the Chairman of your Company, in whole time capacity, for a period of 5 (five) years w.e.f. April 01, 2019, liable to retire by rotation, on existing terms and conditions based on the recommendation of the Nomination and Remuneration Committee of your Company and subject to approval of Members at the ensuing Annual General Meeting (AGM) of your Company.

Pursuant to Regulation 17(1A) as inserted vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from April 01, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Mr. Srinivasachari Rajagopal (DIN 00022609), was appointed as an Independent Director of your Company for a period of 5 (five) consecutive years from the date of the 29th (Twenty-Ninth) Annual General Meeting (AGM) of your Company held on August 02, 2014 till August 01, 2019. Mr. Rajagopal has already attained the age of 75 years. Therefore, approval of the Members was sought through Postal Ballot for continuance of the directorship of Mr. Rajagopal in your Company for his present tenure expiring on August 01, 2019, which was approved vide Special resolution dated March 21, 2019.

Based on recommendation of the Nomination and Remuneration Committee and subject to approval of the Members of your Company, the Board of Directors of your Company further recommend re-appointment of Mr. Shyamalendu Chatterjee (DIN: 00048249), Mr. Srinivasachari Rajagopal (DIN: 00022609) and Dr. Punita Kumar Sinha (DIN: 05229262), as Independent Directors of your Company, not liable to retire by rotation to hold office for a second term of 5 (five) consecutive years from the date of the 34th (Thirty-Fourth) Annual General Meeting (AGM) of your Company.

Your Company has received individual notices from Members pursuant to Section 160 of the Companies Act, 2013, signifying their intention to propose the candidatures of Mr. Shyamalendu Chatterjee, Mr. Srinivasachari Rajagopal and Dr. Punita Kumar Sinha, for the office of Independent Directors for a second term of 5 (five) consecutive years.

In accordance with the provisions of Section 152 of the Companies Act, 2013 (Act) and the relevant Rules and your Company's Articles of Association, Mr. Sunil Kanoria (DIN 00421564) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The brief resume / details relating to Directors who are proposed to be appointed / re-appointed are furnished in the Notice of the ensuing AGM. The Board of Directors of your Company recommends the appointment / re-appointment of the above Directors.

Your Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI Listing Regulations, 2015 and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. All requisite declarations were placed before the Board.

In terms of SEBI Listing Regulations, 2015, your Company identified the list of core skills/expertise/competencies as is required in the context of the Company's business(es) and sector(s) for it to function effectively and those which are actually available with the Board and mapped such skills to the Individual Directors of your Company. Details of such skills/expertise/competencies identified are furnished in the Corporate Governance Report and forms part of this Annual Report.

Pursuant to Regulation 16(b) of SEBI Listing Regulations, 2015 and Section 197 of the Act read with the Rules framed thereunder, your Company has approved payment of remuneration of Rs. 48 (Forty Eight) Lacs by way of commission on net profits computed under Section 198 of the Act to Non-Executive Directors and Independent Directors of your Company for the financial year 2018-19. The payment is within the limit of 1 (One) per cent of the net profits of your Company for the financial year 2018-19 as approved by the Members of your Company at the AGM held on August 02, 2014 and in accordance with the applicable provisions of SEBI Listing Regulations, 2015 and the Act read with the Rules framed thereunder.

Further, Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman of your Company, are also the managerial personnel of Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of your Company and are in receipt of remuneration (including commission) for the Financial Year 2018-19 from SEFL as per the details given below:

Name of Director	Remuneration (Rs. in Lacs)
Hemant Kanoria	756.58
Sunil Kanoria	761.45

Further, Mr. Shyamalendu Chatterjee, Independent Director of your Company, is the Chairman (Non – Executive) of Srei Capital Markets Limited, wholly owned subsidiary of your Company and is in receipt of sitting fees from the said subsidiary company. Mr. Balaji Swaminathan, Non Executive Non Independent Director of your Company, is also associated with your Company in the capacity of Strategic Advisor and is being paid Advisory Fees by your Company.

Further, during the year, Mr. Shyamalendu Chatterjee was also an Independent Director of SEFL and was in receipt of sitting fees of Rs. 1.25 Lacs from SEFL. Mr. Chatterjee thereafter resigned as an Independent Director of SEFL w.e.f. May 17, 2019.

Apart from the above, none of the Directors of your Company have received any remuneration or commission from any of your Company's subsidiaries or holding company during the Financial Year 2018-19.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND YOUR COMPANY'S OPERATIONS IN FUTURE

There are no such orders passed by the regulators / courts / tribunals impacting the going concern status and your Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 (Act), your Board of Directors to the best of their knowledge and ability confirm that:

(i) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for the year;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of

the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts for the financial year ended March 31, 2019 on a going concern basis;

(v) they have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively;

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws to your Company and the systems are adequate and operating effectively.

Your Company has complied with all applicable provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise
- Issue of sweat equity shares
- Your Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees
- There was no revision in the Financial Statements
- There was no change in the nature of business
- Maintenance of Cost records is not applicable to your Company.

AWARDS AND RECOGNITION

During the year, your Company has completed the assessment conducted by Great Place to Work Institute, India and has been certified as a "Great Place to Work" for the period March, 2019 to February, 2020. Further, your Company has won the "West Bengal – Best Employer Brand" award in October, 2018.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the excellent support and co-operation received from the Financial Institutions, Banks, Central & State Government Authorities, RBI, SEBI, MCA, Stock Exchanges, Depositories, Credit Rating Agencies, Customers, Manufacturers, Vendors, Suppliers, Business Associates, Members, Debenture holders, Debenture Trustees and other Stakeholders during the year under review. Your Directors also place on record their deep appreciation for the valuable contribution of the employees for the progress of your Company during the year and look forward to their continued co-operation in realisation of the corporate goals in the years ahead.

On behalf of the Board of Directors



Hemant Kanoria
Chairman
DIN 00193015

Kolkata, May 25, 2019

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company :** L29219WB1985PLC055352
2. **Name of the Company :** Srei Infrastructure Finance Limited
3. **Registered address :** 'Vishwakarma', 86C Topsia Road (South), Kolkata - 700046, West Bengal, India
4. **Website :** www.srei.com
5. **E-mail id :** secretarial@srei.com
6. **Financial Year reported :** April 01, 2018 to March 31, 2019
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** The Company holds a certificate of registration issued by the Reserve Bank of India (RBI) allowing the Company to carry on the business of non-banking financial institution under Section 45-IA of the RBI Act, 1934. The Company is classified as an Infrastructure Finance Company – Systemically important Non - Deposit taking under Section 45-IA of the RBI Act, 1934. The Company is also notified as a Public Financial Institution (PFI) by the Ministry of Corporate Affairs (MCA), Government of India.
8. **List three key products/services that the Company manufactures/provides (as in balance sheet):** The Company is one of India's largest holistic infrastructure institutions, constantly and consistently delivering innovative solutions in the infrastructure sector. The Company's businesses include Infrastructure Finance, Infrastructure Advisory, Investment Banking and Insurance Broking.
9. **Total number of locations where business activity is undertaken by the Company**
   (a) **Number of International Locations (Provide details of major 5) :** Nil.
   (b) **Number of National Locations :** Kolkata, New Delhi, Mumbai, Hyderabad and other offices.
10. **Markets served by the Company – Local/State/National/ International:** The Company serves customers both in national and international locations.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (Rs.):** Rs. 503.08 Crores comprising of 50,30,86,333 equity shares of Rs. 10/- each.
2. **Total Turnover (Rs.):** Rs. 1,878.43 Crores. (Total Income which includes Revenue from Operations and Other Income).
3. **Total profit after taxes (Rs.):** Rs. 94.67 Crores.
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**
   a. **Average net profit of the Company for last three financial years (Rs.):** Rs. 136.96 Crore.
   b. **Prescribed CSR Expenditure (two per cent of the amount as in Sl. No. 4(a) above) (Rs.):** Rs. 2.74 Crore.
   c. **Total amount spent for the Financial Year:** The Company has spent Rs. 2.77 Crores i.e. approximately 1.09% of the average net profits of last 3 (three) years. Appropriate disclosures as prescribed under the Companies Act, 2013 have been made in the annual report for the year ended March 31, 2019.
5. **List of activities in which expenditure in 4 above has been incurred:** The CSR activities are carried out by the Company in multiple ways:

   1. Independently.

   2. Jointly with Srei Foundation, IISD Edu World, Acid Survivors and Women Welfare Foundation.

   3. In partnership with external social bodies / NGOs.

   The CSR activities are carried out along the following thrust areas which are within the permissible scope of CSR under the Companies Act, 2013:

   a. Education and Skills Development.

   b. Healthcare / Medical facilities.

   c. Social and Economic Welfare.

   d. Environmental Sustainability.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company had 13 subsidiaries as on 31st March, 2019.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)-

Yes, the Company encourages its subsidiaries to participate in the BR initiatives. Few subsidiary companies directly or indirectly endorse or participate in the BR initiatives of the Company. Further, 1 (one) subsidiary of the Company has contributed to the corpus of Srei Foundation during the Financial Year 2018-19.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].

No.

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR.

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. **DIN Number:** 00048249
2. **Name:** Mr. Shyamalendu Chatterjee
3. **Designation:** Non-Executive and Independent Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Mr. Shyamalendu Chatterjee, Non-Executive and Independent Director of the Company, oversees the BR implementation. However, the Company does not have a BR head.
2	Name	
3	Designation	
4	Telephone number	
5	E-mail id	

Note: The Company has constituted a Business Responsibility Committee (BR Committee) comprising of Directors and Senior Executives. Mr. Shyamalendu Chatterjee is designated as Director responsible for implementation of the Business Responsibility Principles as well as the BR Policy of the Company.

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles (detailed below) as P1-P9 to be followed:

P1.	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2.	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3.	Businesses should promote the wellbeing of all employees.
P4.	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5.	Businesses should respect and promote human rights.
P6.	Business should respect, protect and make efforts to restore the environment.
P7.	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8.	Businesses should support inclusive growth and equitable development.
P9.	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of compliance (Reply in Y/N):

No.	Questions	Ethics, transparency and accountabilityy	Product safety	Well-being of employees	Stakeholders engagement	Human rights	Environment Policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
		P1	P2	P3	P4	P5	P6 (Refer Note)	P7	P8 (Refer Note)	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?*	Y	N	Y	Y	Y	Y	Y	Y	Y

No.	Questions	Ethics, transparency and accountabilityy	Product safety	Well-being of employees	Stakeholders engagement	Human rights	Environment Policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
		P1	P2	P3	P4	P5	P6 (Refer Note)	P7	P8 (Refer Note)	P9
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	-	-	Y	Y
		The policies are based on NVG guidelines.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?@	1. Srei Investor Grievance Redressal Policy is available at www.srei.com/investor/corporate-policies 2. Whistle Blower Policy is available at www.srei.com/investor/corporate-policies 3. Corporate Social Responsibility Policy is available at www.srei.com/investor/corporate-policies 4. Nomination & Remuneration Policy is available at www.srei.com/investor/corporate-policies 5. Policy on Board Diversity is available at www.srei.com/investor/corporate-policies 6. Policy on Prevention of Sexual Harassment is available at www.srei.com/investor/corporate-policies 7. Srei Code of Conduct for Prohibition of Insider Trading is available at www.srei.com/investor/corporate-policies 8. Srei Code of Conduct for Board of Directors and Senior Executives is available at www.srei.com/investor/corporate-policies 9. Srei Fair Practices Code is available at www.srei.com/investor/corporate-policies 10. Corporate Governance Framework is available at www.srei.com/investor/corporate-policies 11. ESMS Policy is available at www.srei.com/investor/corporate-policies 12. Data Privacy and Protection Policy is available at www.srei.com/investor/corporate-policies 13. Dividend Distribution Policy is available at www.srei.com/investor/corporate-policies 14. Shareholders' Referencer is available at https://www.srei.com/investor/srei-shareholders/shareholders-referencer 15. Public policy and advocacy is available at www.srei.com/investor/corporate-policies 16. Corporate Governance Manual								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	Ethics, transparency and accountabilityy	Product safety	Well-being of employees	Stakeholders engagement	Human rights	Environment Policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
		P1	P2	P3	P4	P5	P6 (Refer Note)	P7	P8 (Refer Note)	P9
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?#	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note:

P6: The aspects outlined under this Principle are not substantially relevant to the Company given the nature of its business. The Company complies with applicable environmental regulations in respect of its premises and operations. Further, the Company participates in initiatives towards addressing environmental issues. The Company also requires the borrowers of project loans to comply with the applicable environmental standards. The Company adheres to the RBI guidelines with respect to Lending to restricted industries.

P8: The Company directly and along with the Srei Foundation, has been working on several initiatives for promotion of inclusive growth.

* The consultations are conducted as required and where relevant.

\# All policies and practices are subject to internal audit and / or review from time to time.

@ Few policies are available only on the Company's intranet.

b. If answer to question at Serial Number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

No.	Questions	Ethics, transparency and accountability	Product safety	Well-being of employees	Stakeholders engagement	Human rights	Environment Policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3.Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Periodically. The Business Responsibility Committee (BR Committee) meets at least once in a year or more often, if required to review and decide on any matter concerning applicability, interpretation, operation and implementation of the BR Policy. The BR Committee recommends amendments, if any to the BR Policy and also approves the BR Report which forms part of the Annual Report of the Company.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (SEBI LODR) read together with SEBI notification dated 22nd December, 2015, the Annual Report of the top 500 listed entity based on market capitalization (calculated as on March 31 of every year) shall contain the Business Responsibility Report (BR Report) describing the initiative taken by them from an environmental, social and governance perspective, in the prescribed format from time to time.

Therefore, the Company as it featured in the top 500 list (based on market capitalization calculated as on 31st March, 2018), published its BR Report along with its Annual Report for the financial year 2017–18, in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (SEBI Listing Regulations). Further, although the Company is not falling under the list of top 500 listed entity based on market capitalization (calculated as on 31st March, 2019), the BR Report for the Financial Year 2018-19 is voluntarily being submitted, to form part of the Annual Report of the Company for the Financial Year ended on 31st March, 2019.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company is committed to acting professionally, fairly and with integrity in all its dealings. The Company has adopted a 'zero-tolerance' approach to bribery and corruption. The Srei Code of Conduct which captures the behavioural and ethical standards along with 'zero tolerance' towards bribery

is applicable, inter alia, to directors and employees of the Company. The Company also has in place a Know Your Customer (KYC) and Anti-Money Laundering (AML) policy which states that statutory and regulatory obligations to prevent money laundering are to be met in full. The Company also has a Fraud Prevention & Detection Policy to facilitate the development of controls which will aid in the prevention, detection and reporting of fraud against the Company.

The Company's philosophy on Corporate Governance, inter alia, is aimed at enhancing long term shareholder value, achieving transparency and professionalism in all decisions and activities of the Company and achieving excellence in corporate governance.

The Company has developed good governance structure and formulated procedures and practices that ensure ethical conduct at all levels of the organization. The Company continuously reviews and upgrades the procedures and practices. The Company does not engage in any practice that is abusive and corrupt.

Further, the Directors, Management and Employees at all level ensure good governance, ethical practices, transparency and accountability in conducting affairs of the Company and dealing with stakeholders of the Company. The Company also conducts programs to familiarize the Directors with changes in regulatory and business environment.

The Company promptly posts on its website information regarding quarterly, half yearly and annual financial results/ statements (standalone as well as consolidated) of the Company and its subsidiaries, Notices of general meetings, Intimations of 'Record-date', Annual Reports, Shareholding patterns, Prospectus, profile of Board of Directors and other information as per the SEBI Listing Regulations and provisions of the Companies Act, 2013 such that the same is easily accessible to the holders of the listed securities. The website is regularly updated from time to time.

The Company has prepared and published a Shareholders Referencer, a handbook for shareholders, which is available on the website of the Company under the head 'Investor Zone'. It serves as an easy guide for the investor's share and dividend related queries and inter-alia covers the shareholders' grievance redressal mechanism and their duties & responsibilities.

The Company has also prepared a Corporate Governance (CG) Manual which is a consolidation of key aspects from various polices set out by the Company as required by the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also sets out various practices followed by the Company at different levels, especially the Board of Directors of the Company and vindicates the Company's principles of integrity, ethics, fairness and accountability.

To ensure that these principles translate into consistent practice, the below enablers lead the Company towards high standards of business conduct.

Board of Directors

Our Board of Directors lead the Company towards a sustainable growth path based on integrity, fairness and responsibility. The Board members bring to the table, a wealth of experience, the strength of entrepreneurship and the breadth of global perspective.

The Company conducted familiarisation programme for the independent directors. The Company has deployed the practice of separating the roles of the Chairman of the Board and CEO to ensure the right focus to governance.

Board Committees

Dedicated Board committees are formed to oversee important functions to increase the efficacy of governance. These comprise of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Committee, Committee of Directors, Asset Liability Management Committee, Credit Committee, Investment Committee, Business Responsibility Committee, IT Strategy Committee and Governance Committee.

Code of Conduct & Policy

Our code of conduct encourages and enables our employees to succeed by embracing fair practices. In addition to the code of conduct, various policies have also been designed to address specific purposes.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is primarily engaged in the business of Infrastructure Finance. Taking cognizance of the macroeconomic scenario, the Company has consciously adopted a cautious approach and exercised extreme prudence in its disbursements. The quality of loan portfolio has been consistently improving and stressed clients are being closely monitored towards prudent recovery.

The Company also ensures that its activities comply with applicable statutes and regulations. The Company works towards ensuring that services are provided in an ethical manner and in consideration of occupational health, safety & environment. Further, the Company adopts Environmental & Social Management System (ESMS) in order to reduce the business risk of its portfolio related to E&S issues and adhere to sustainable Finance practices.

Principle 3: Businesses should promote well-being of employees

Spirituality and well-being at work place are 2 necessary components. The Company believes that well-being is the key for sustenance for both, the Company and the Employees. A healthy workforce is in the Company's best interest and serves as a strategic asset and hence the Company endeavours to keep its people well.

The intent of Swasth Srei is to create a "culture of wellness" that fosters a long term commitment to healthy lifestyles and the reduction of health risks amongst the employees. We have been able to incorporate Yoga sessions as a mark of concentration & healing of specific disease. The Company believes that healthy employees tend to experience a better quality of life and higher personal productivity and those who discover health problems early tend to get well faster and spend less on medical care. The Company's strategy is to make every employee active and informed participants as far as their health is concerned. The mission of Swasth Srei underscores that wellness is a partnership between the employer and employee to support each other in creating a healthy workforce with high morale and positivity. The Company therefore believes that "Effective health coaching is essential to improving health behaviours" and therefore continuously organizes various health coaching sessions for the employees.

The Company also believes that employees are its most valuable asset and greatest strength. With this firm belief, the Company considers wellness, safe and healthy living of its employees as one of the important aspects of work culture. The Company has an extremely strong Employee benefit scheme supported by various insurance programs like Health, Health top-up, Personal Accident, Term life, Voluntary term life, EDLI etc. In order to boost the employee morale, the Company has introduced various innovative measures under its insurance platform like continuity of health cover post retirement, availing of continuity benefit post separation with the Company etc. Further, the Health plans were suitably amended time to time to keep pace with the technology advancement and global standards.

The Company has also invested heavily into preventive wellness for its employees. The range of services includes on-site complimentary health check-ups, health camps, discounted health check-up plans etc. To generate awareness among the employees, the Company keeps on organising health talks / shows where eminent medical stalwarts are invited to share from their rich experience. Srei Group, an award holder of Gold category and Platinum category for consecutive two years, has elevated itself to be recognised on the Global platform of Arogya, A Clinton Global Initiative of Healthy Workplace.

The Company has also participated in the areas of employee benefits such as Adult vaccination for employees & their families for Hepatitis B, Influenza, Swine Flu and Cervical Cancer. Further, project "Vendigo" has been installed by the Company at few branches, which is a sanitary napkin vending machine. Human Gene Analysis, Awareness & Utility of Stem Cells with specialised packages for both Employees & their nearest Kin. All these efforts have led the Company being conferred with the "Accreditation of Global Centre for Healthy Workplace" which is valid till 2020.

During the year, the Company continued to take various initiatives for employee welfare such as encouraging employees towards a healthy lifestyle and supported various health initiatives such as Marathons, Yoga and promoted Sports Clubs for cricket, football, badminton and table tennis.

The Company provides equal opportunity to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. Further, in order to prevent sexual harassment of women employees, the Company has Internal Complaint Redressal Committees at various workplaces.

For enhancing the reach and ease of recognition, the Company has 'Srei Shabash' in the digital platform of the Company called 'Srei Sampark'. Under Srei Sampark, the Company has various modules to connect with employees like Query Bytes, Feedback Central and Idea Hub.

Further, for the smooth assimilation of new recruits in the Company, Design for Success programme was rolled out which encompassed support to the new entrants. An Engagement Calendar with the various Fun at work events planned for the entire year is captured. The Company makes celebrations a joyful experience for the employees. With all such initiatives, the organization has received certification for being a Great Place to Work.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The stakeholders consist of customers, investors and market intermediaries, lenders, employees, society and government authorities. The Investors comprise of shareholders (including Institutional Investors) and Debenture holders. The lenders comprise of banks, financial institutions and public.

As an Infrastructure Finance Company, the liquidity and ongoing profitability are, in large part, dependent upon our timely raising of capital and the costs associated therewith. The funding requirements historically have been met from a combination of term loans from banks and financial institutions, issuance of debt securities etc.

The Company supports education institutions and provide opportunities to deserving students (from marginalized sections of society) through various channels. The Company also ensures and promotes a culture of healthy workforce by

creating awareness and raising consciousness among people. The Company also supports the cause of building social institutions by advancing financial grant towards construction of houses, girl marriage and other social essentialities to the underserved.

1. Customers

The Company focuses on reaching closer to the grassroots and making the Company a preferred choice for providing holistic infrastructure financial solutions. The Company makes infrastructure financing solutions available to all qualified applicants without discrimination and the Company treats all customers consistently and fairly. The Company communicates to its customers in transparent manner about the terms and conditions of the finance, including interest rates and mechanism for redressal of customer's grievances, etc. in accordance with regulations stipulated by the Reserve Bank of India (RBI).

The Company ensures that while dealing with customers, the employees follow Srei Fair Practices Code. All customer grievances are effectively resolved through mechanism laid down in the Code. The Fair Practices Code is displayed on website of the Company at www.srei.com.

2. Investors and Lenders

The Company has consistent track record of payment of dividend for past several years. The Company is regular in payment of interest and repayment of credit facilities availed from Banks and Financial Institutions & Bondholders of the Company. The track record has enabled the Company to obtain credit ratings from the Credit Rating Agencies. This enables smooth raising of funds from investors. The Company believes that it enjoys good reputation, goodwill and standing in the financial markets. The Company has formulated a Dividend Distribution Policy which is available on the website of the Company at www.srei.com. The said Policy encapsulates inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc.

3. Society

The Company works towards creation of value for the society in a manner which is sustainable, scalable and replicable. As a part of Corporate Social Responsibility (CSR), the Company is actively engaged in deliberating and practicing humble service to Humanity on a sustainable basis. The Company perceives CSR as a strategic social investment aimed at uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy is embedded in its commitment to all stakeholders namely consumers, employees, environment and society while the Company's approach extends both to external community as well as to the Company's large and diverse internal employee base and their families. The Company has formulated a CSR Policy which is available on the website of the Company at www.srei.com. The said Policy encapsulates inter alia, the Company's CSR Vision and Mission, approach to CSR, CSR thrust areas etc. For further details, please refer to the Annual Report of the Company for the financial year 2018–19.

Principle 5: Businesses should respect and promote human rights

As a good corporate citizen, the Company respects the human rights of those who it engages with. The Company pays fair wages to its employees and does not discriminate between male and female employees. They are treated equally with dignity and are given equal opportunities, rights and benefits. The Company complies and adheres to all the human rights laws and guidelines.

The Company has developed a Human Resource Manual (HR Manual) titled "Srei Niti" which encompasses the Company's core values such as Customer partnership, Respect for people, Integrity, Stakeholder's value enhancement, Professional entrepreneurship & Passion for excellence and aims to provide employees with information on HR policies, practices, and operating procedures that will be applicable in the Organization. The same is available on the Intranet of the Company.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

The Company has formulated an Environmental & Social Management System (ESMS) which reduces the business risk of its portfolio related to E&S issues and enables adherence to sustainable finance practices. The Company continues to create awareness about environment protection. The Company is continuously making appeal to its shareholders to participate in the 'Green initiative' to reduce use of paper by converting their holding of physical shares into electronic shareholding by dematerialization, receiving soft copies of annual reports using internet facilities, receiving dividend by direct credit to their bank accounts instead of physical dividend warrants etc.

The Company also spreads awareness about conservation and optimum utilization of resources across all levels of the organization as well as in all branch offices spread across the Country. As a part of Green initiative for paperless office, the Company uses electronic methods of communication within and outside its offices and avoids use of paper as far as possible to contribute to green environment as much as possible.

For payment of Interest, dividend, maturity amount of debentures etc. as far as possible, the Company use methods of electronic remittances such as NACH, NEFT, RTGS which also ensures faster credit of money to the bank accounts of the investors, avoids use of paper for dividend warrants, interest warrants, cheques. Our objective is to achieve highest level of paperless office by adopting practices, methods and modern techniques in our internal and external communication with all stakeholders.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

In order to address various policy and regulatory issues that have an adverse impact on the different businesses, the Company believes in adopting a consultative approach with the Ministries and various Regulatory Agencies. The aim is to provide constructive feedback to the Government so that the business climate can be improved which, in turn, enhances India's attractiveness as an investment destination to investors around the world.

Principle 8: Businesses should support inclusive growth and equitable development

The Company understands the impact of its businesses on social and economic development and responds through appropriate action to minimize the negative impacts. The Company also makes efforts to complement and support the development priorities at local and national levels. The Company aims at financing business and/or projects in the regions that are underdeveloped and would be sensitive to local concerns. The Company accordingly, promotes the 'financial inclusion' which is the focus point of all welfare initiatives of the Government.

The Company has formulated a CSR Policy which is available on the website of the Company at www.srei.com. Please refer the Annual Report of the Company for the Financial Year 2018–19 containing details of Company's CSR activities undertaken for the benefit of financially weaker and vulnerable sections of the society.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company has track record of loyal customers who have achieved advancement, progress, growth of their business through long term relationship with us. The Company strives hard to provide best possible services to its customers. The Company has effectively implemented the Fair Practices Code for redressal of customer grievances.

The Company does not restrict the freedom of choice and free competition in any manner while engaging in business activities.

BUSINESS RESPONSIBILITY PARAMETER INDEX

Principle-Wise Performance

Sr. No.	Questions	Whether Complied?
Principle 1		
1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?	Yes, it covers the Company and its subsidiaries.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaint was received regarding ethical and other matters contained in this principle.
Principle 2		
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	The Company is not engaged in manufacture of any goods. The Company is a Non-Banking Financial Institution (Category: Infrastructure Finance Company) engaged primarily in the business of Infrastructure Project Finance. The Company does not finance and/or invest in any project that does not comply with the environmental & social norms and laws of the Country.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable.

<table>
<tr><th>Sr. No.</th><th>Questions</th><th>Whether Complied?</th></tr>
<tr><td>3.</td><td>Does the Company have procedures in place for sustainable sourcing (including transportation)?

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</td><td>Not Applicable.</td></tr>
<tr><td>4.</td><td>Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</td><td>No.</td></tr>
<tr><td>5.</td><td>Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.</td><td>The Company is not engaged in the manufacture of any goods.

The waste generated at its offices is managed as per the waste disposal process. `

The Company has procedures in place to dispose of e-waste through authorised e-waste vendors.

The Company has normal sewerage system as per plans of Municipality.</td></tr>
<tr><td colspan="3">Principle 3</td></tr>
<tr><td>1.</td><td>Please indicate the Total number of employees.</td><td>124.</td></tr>
<tr><td>2.</td><td>Please indicate the Total number of employees hired on temporary/contractual/casual basis.</td><td>Nil.</td></tr>
<tr><td>3.</td><td>Please indicate the Number of permanent women employees.</td><td>18.</td></tr>
<tr><td>4.</td><td>Please indicate the Number of permanent employees with disabilities</td><td>The Company does not specifically track the number of disabled employees. The Company is an equal opportunity employer and treats all employees at par.</td></tr>
<tr><td>5.</td><td>Do you have an employee association that is recognized by management.</td><td>No.</td></tr>
<tr><td>6.</td><td>What percentage of your permanent employees is members of this recognized employee association?</td><td>Not Applicable.</td></tr>
<tr><td>7.</td><td>Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.</td><td>
<table>
<tr><th>No.</th><th>Category</th><th>No. of complaints filed during the year</th><th>No. of complaints pending as on end of the financial year</th></tr>
<tr><td>1</td><td>Child labour / forced labour / involuntary labour</td><td>-</td><td>-</td></tr>
<tr><td>2</td><td>Sexual harassment</td><td>-</td><td>-</td></tr>
<tr><td>3</td><td>Discriminatory employment</td><td>-</td><td>-</td></tr>
</table>
</td></tr>
</table>

Sr. No.	Questions	Whether Complied?
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? a. Permanent Employees b. Permanent Women Employees c. Casual/Temporary/Contractual Employees d. Employees with Disabilities	The Company continues to focus on skilling employees with the requisite knowledge and skill through LEaD Srei. The Company has training centres where various training programmes, designed to meet the changing skill requirements of its employees are conducted. These training programmes include orientation sessions for new employees, programmes conducted by various skill-enhancing, role specific functional academies, leadership mentoring programmes and other management development programmes for mid-level and senior executives. In addition to classroom training, e-learning programmes are also available for employees. The e-learning portal has been customized for employees using Edunxt - the leading Learning Management System from Manipal Global Education Services. Further, with an objective to build in-house talent, an intensive Department and Business specific curriculum is structured to create capability excellence in four areas namely, Work Excellence, Personal Excellence, People Excellence and Business Excellence. As on 31st March, 2019, the Company spent around 64 man-days towards learning and development, 42 man-days towards senior leadership development programmes and 18 man-days towards middle management development programmes.
Principle 4		
1.	Has the Company mapped its internal and external stakeholders? Yes/No	Yes.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes.
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. Please refer Para 3 of Principle 4 under Section E of this Report.
Principle 5		
1.	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	Yes, the policy also extends to our subsidiaries.
2.	How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?	No complaint was received for human rights violation during the reporting period.
Principle 6		
1.	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.	The ESMS policy not only covers the Company but extends to its borrowers as well for compliance during the tenure of loans. The Company complies with relevant applicable international & national environmental and social regulations in respect of its premises and operations. Further, the Company participates in initiatives towards addressing environmental and social issues. The Company also requires the borrowers of project loans and other types of loans to comply with the applicable environmental and social standards. The Company never invests or finances any project which falls under its exclusion list.

Sr. No.	Questions	Whether Complied?
2.	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company has Environment and Social policy in place. The Company has taken the green initiative through paperless office, water conservation etc. The offices have been designed such that they are equipped with energy efficient air conditioners. As a part of Green initiative for paperless office, the Company uses electronic methods of communication within and outside our offices and avoids use of paper as far as possible. The Company has invested and financed a couple of green projects and plans to extend its green portfolio steadily.
3.	Does the Company identify and assess potential environmental risks? Y/N	Yes, the Company is aware of the potential environmental and social risks and participates in initiatives as mentioned above to address the environmental and social concerns. The Company complies with applicable environmental and social regulations in respect of its premises and operations. The Company also requires the borrowers of project and other kind of loans to comply with the applicable environmental and social standards. Further, every project where the Company invests or finances, a thorough E&S due diligence is followed by the ESMS team based on national E&S rules and IFC – performance standards. In case of any potential environmental and social risks identified, suitable environmental and social action plans are designed to mitigate or reduce the impacts of the identified risks. The Company also has a mechanism in place to monitor and review environmental and social risks of its portfolio on a regular basis. The Company does not finance any project that does not comply with the environmental and social norms and laws of the country. For financed facilities, in case of repeated non-compliance, the Company may impose environmental penalties and even can recourse back the loan.
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Not applicable to the Company as it is a Non-Banking Financial Institution. However, the Company has given loans to some green projects developed by its borrowers which have Clean Development Mechanism.
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company participates in several initiatives in the area of environment sustainability. The Company invests in clean technology like Wind Power and Hydro Power. Around 18% of the Company's total power sector investment is in renewable energy sector. It is around 7% of the total Portfolio.
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The Company complies with applicable environmental and social regulations in respect of its premises and operations and compliance of the same by its borrowers is mandatory which is checked and monitored by company's ESMS team.
7.	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil.

Sr. No.	Questions	Whether Complied?
Principle 7		
1.	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	Yes, the Company is a member in of various industry associations. The notable names among those include Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce & Industry (FICCI), Associated Chambers of Commerce & Industry in India (ASSOCHAM), Indian Chamber of Commerce (ICC), Bengal Chamber of Commerce & Industry (BCCI) and Finance Industry Development Council (FIDC). Members of the Senior Management of the Company are active participants and contributors in a number of the sectoral committees set up by these industry bodies.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, the Company uses these platforms to take up with the Government and Regulators sector-specific reforms required in areas of infrastructure and finance. The policy advocacy, through these industry bodies, is done sometimes through sending of representations to the Government and Regulatory Bodies, sometimes through meetings with concerned officials and sometimes through organization of theme-specific conferences and seminars.
Principle 8		
1.	Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.	Yes, please refer Para 1 & 2 of Principle 8 under Section E of the Report. The Company through one of its associate company namely, Sahaj e-village Limited (Sahaj) operates through a holistic social and financial inclusion approach. Sahaj has been operating at the 'bottom of the pyramid' bridging the urban-rural digital divide and providing last mile reach for various products and services. All this is enabled through a state of the art technology platform, which ensures seamless integration with various business partners / franchisees, resulting in building trust and reliability of financial transactions among rural consumers. Sahaj offers services ranging from Banking (Business Correspondents & Aadhaar enabled Payment System), Insurances (Life & Non-Life), Utility Bill Payment Services, e-Learning, e-Commerce (itigershop.com) and Government to Consumer Services like Pan Card, FASTag, e-District services, Online Direct Benefit Transfer, etc. As on 31st March, 2019, there were 78,700 Sahaj Kendras (Distribution network) reaching out to nearly 450 mn rural citizens across 21 States and 2 Union Territories in India covering nearly 50 per cent of the Country through a 'human, digital and physical network.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Yes, the projects are undertaken primarily through in-house teams and Srei Foundation, with the assistance of implementation partners wherever required.
3.	Have you done any impact assessment of your initiative?	No.

Sr. No.	Questions	Whether Complied?
4.	What is your Company's direct contribution to community development projects - Amount in Rs. and the details of the projects undertaken.	The Company has spent Rs. 2.77 Crores on CSR activities during the financial year ending on 31st March, 2019. The CSR activities were carried out along the following thrust areas: a. Education and Skills Development. b. Healthcare / Medical facilities. c. Social and Economic Welfare. d. Environmental Sustainability. Appropriate disclosures as prescribed under the Companies Act, 2013 have been made in the Annual Report for the year ending on 31st March, 2019.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, the Company actively encourages participation of stakeholders in various programs. This includes both volunteering and proactive participation.
Principle 9		
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	None.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Not Applicable.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	In the ordinary course of Company's business, several customers and borrowers may have disputes with the Company which could result in their filing a civil suit claiming compensation for damages and for enforcing contractual obligation etc., criminal complaint or consumer complaint alleging deficiency of services. The Company always strives to have a cordial relationship with its customers/ borrowers and attempts to have an amicable settlement of the dispute but yet, in some cases it may need to pursue legal resolution of the same.
4.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	No.

For **Srei Infrastructure Finance Limited**

Sd/-

Shyamalendu Chatterjee

DIN: 00048249

Chairman - Business Responsibility Committee

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:
The Members,
Srei Infrastructure Finance Limited
Vishwakarma, 86C, Topsia Road (South)
Kolkata – 700 046

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Srei Infrastructure Finance Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018 **(Not applicable to the Company during the Audit Period);**

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 2018 **(Not applicable to the Company during the Audit Period).**

(vi) **I further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

  (a) Reserve Bank of India (RBI) Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI).

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period,:

(i) The Board has approved, subject to other applicable permissions/approvals, a composite scheme of arrangement and amalgamation amongst the Srei Infrastructure Finance Limited ("Company"), Srei Equipment Finance Limited (a wholly owned subsidiary of the Company), Srei Asset Finance Limited [formerly known as Srei Asset Reconstruction Private Limited] (a wholly owned subsidiary of the Company) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder ("Scheme").

(ii) The Company has offered by way of public issue, secured redeemable Non-Convertible Debentures "Secured NCDs" of Face value of Rs.1,000/- for an amount up to Rs.1,000 million ("Base Issue Size") with an option to retain oversubscription up to Rs.4,000 million, aggregating up to Rs.5,000 million ("Tranche 1 issue limit") ("Tranche 1 issue") which is within the shelf limit of Rs.15,000 million and offered by way of Tranche 1 Prospectus dated 29 March 2019 containing the terms and conditions, which should be read together with the Shelf Prospectus dated 29 March 2019.

(iii) The Company has issued unsecured perpetual Non-Convertible Debentures (NCDs) aggregating to Rs.320 Crores on a private placement basis.

Sd/-

Place: Pune
Date: 25th May, 2019

Dr. K. R. Chandratre
FCS No. 1370, C P No. 5144

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure to the Secretarial Audit Report

To:
The Members,
Srei Infrastructure Finance Limited
Vishwakarma, 86C, Topsia Road (South)
Kolkata – 700 046

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Place: Pune
Date: 25th May, 2019

Dr. K. R. Chandratre
FCS No. 1370, C P No. 5144

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES for THE FINANCIAL YEAR 2018-19

[Pursuant to Section 135 of Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   CSR activities at Srei Infrastructure Finance Limited are carried out in multiple ways:

   a. Independently

   b. Jointly with Srei Foundation, IISD Edu World, Acid Survivors and Women Welfare Foundation

   c. In partnership with external social bodies / NGOs.

   Our activities are carried out along the following thrust areas:

   a. **Education and Skills Development:** Supporting education institutions and providing opportunities to deserving students (from marginalized sections of society) through various channels.

   b. **Healthcare / Medical facilities:** Ensuring and promoting a culture of healthy workforce by creating awareness and raising consciousness among people.

   c. **Social and Economic Welfare:** Supporting the cause of building social institutions by advancing financial grant towards construction of houses, girl marriage, and other social essentialities to the underserved.

   d. **Environmental Sustainability:** Raising consciousness towards building a healthy environment among the stakeholders and community at large.

   The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is:

   https://www.srei.com/investor/corporate-policies/pdf/corporate-social-responsibility-policy.pdf

   The details of the CSR activities undertaken at Srei Infrastructure Finance Limited can be accessed at:

   https://www.srei.com/csr/what-do-we-do

2. **The Composition of the CSR Committee**

   Committee Members:

   - Mr. Hemant Kanoria, Chairman
   - Mr. Sunil Kanoria, Non-Executive Director
   - Mr. Shyamalendu Chatterjee, Non-Executive and Independent Director

   Secretary to the CSR Committee:

   - Mr. Sandeep Lakhotia

3. **Average net profit of the company for last three financial years**

   Rs. 1,36,95,50,114/-

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

   Rs. 2,73,91,002/-

5. **Details of CSR spent during the financial year**

   a. **Total amount to be spent for the Financial Year:** The Company has spent Rs. 2,77,40,000/- against the mandated requirement of Rs. 2,73,91,002/-

   b. **Amount unspent, if any:** Nil

   c. **Manner in which the amount spent during the financial year is detailed below:**

(Amount in Rs.)

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (clause no. (Cl.) of Schedule VII to the Companies Act, 2013, as amended)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period*	Amount spent: Direct or through implementing agency
1.	Promoting Education, Enhancing vocational skills, Promoting health and culture including women empowerment	Cl.(i) Promoting Health Care Cl.(ii) Promoting Education Cl.(iii) Empowering Women	Local areas in and around West Bengal, Rajasthan and Chennai	1,00,00,000	1,00,00,000	5,00,00,000	Srei Foundation**
2.	Animal Welfare (Running of animal rescue mobile units)	Cl.(iv) Animal Welfare	Kolkata, West Bengal	2,40,000	2,40,000	8,20,000	Sonata Foundation ***

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (clause no. (Cl.) of Schedule VII to the Companies Act, 2013, as amended)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period*	Amount spent: Direct or through implementing agency
3.	Promoting Education	Cl.(ii) Promoting Education;	Santoshpur and Birati, West Bengal	50,00,000	50,00,000	50,00,000	IISD Edu World #
4.	Promoting Education	Cl.(ii) Promoting Education;	Asansol, West Bengal	1,25,00,000	1,25,00,000	1,25,00,000	Srihari Global School Foundation ##
	TOTAL			**2,77,40,000**	**2,77,40,000**	**6,83,20,000**	

*Considering the expenditure during the previous financial years, the cumulative expenditure upto the reporting period is Rs. 9,36,90,962.

**Srei Foundation is a Public Charitable Trust established with an objective of serving the humanity inter-alia through promotion of education, health, housing, socio-economic support and awakening of women, free holistic treatment and assistance to various NGOs in their respective fields. Srei Foundation has an established track record of more than 3 (three) years in undertaking such projects and programs.

***Sonata Foundation is registered as a Society under Societies Act XXVI of 1961 working on key issues of animal husbandry, dairying & fisheries, aged/elderly, agriculture, art & culture, environment & forests, amongst others. Sonata Foundation has an established track record of more than 3 (three) years in undertaking such projects and programs.

#IISD Edu World is a company formed with the object of imparting, promoting and spreading education for underprivileged children and weaker sections of the society. IISD Edu World has an established track record of more than 3 (three) years in undertaking such projects and programs.

##Srihari Global School Foundation is a company formed with the aim of extending world-class education across India with a vision to create world citizens with 21st century skills to face the challenges of an unpredictable, rapidly-changing world. Srihari Global School Foundation has an established track record of more than 3 (three) years in undertaking such projects and programs.

6. Reasons for not spending the two per cent of the average net profit of the last three financial years

Not Applicable

7. Responsibility statement of the CSR Committee

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of Corporate Social Responsibility Committee

Sd/-
Hemant Kanoria
DIN: 00193015
Chairman of Committee
(Chairman)

Sd/-
Shyamalendu Chatterjee
DIN: 00048249
Member of Committee
(Independent Director)

Place: Kolkata
Date: May 25, 2019

Form NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L29219WB1985PLC055352
ii.	Registration Date	29th March,1985
iii.	Name of the Company	Srei Infrastructure Finance Limited
iv.	Category / Sub-Category of the Company	Public Company limited by Shares
v.	Address of the Registered office and contact details	"Vishwakarma", 86C, Topsia Road (South), Kolkata-700 046 Email: corporate@srei.com Telephone no: 91-33-6160-7734 Fax no: 91-33-2285-7542 / 8501
vi.	Whether listed company (Yes / No)	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited (erstwhile Karvy Computershare Private Limited) Karvy Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad – 500 032 Email: einward.ris@karvy.com Telephone no: 040-67161500 / 2222, 1800-345-4001 Fax no: 040-23420814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company:-

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / service*	% to total turnover of the Company**
1.	**Other financial service activities, except in insurance and pension funding activities**	649	99.41

*As per National Industrial Classification – 2008: Ministry of Statistics and Programme Implementation

**Represents total income

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Adisri Commercial Private Limited 3, Middle Road, Hastings, Kolkata- 700 022	U67190WB2014PTC199720	Holding	60.36	2(46)
2.	Srei Capital Markets Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U67190WB1998PLC087155	Subsidiary	100	2(87)
3.	Srei Alternative Investment Managers Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65999WB1994PLC065722	Subsidiary	100	2(87)
4.	Hyderabad Information Technology Venture Enterprises Limited 5-9-58 / B, Parisrama Bhavanam, Basheerbagh, Hyderabad – 500 004	U72200TG1998PLC029282	Step-down Subsidiary	51	2(87)
5.	Cyberabad Trustee Company Private Limited 5-9-58 / B, Parisrama Bhavanam, Basheerbagh, Hyderabad – 500 004	U72200TG1999PTC033128	Step-down Subsidiary	51	2(87)
6.	Bengal Srei Infrastructure Development Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U70109WB2004PLC100517	Subsidiary	51	2(87)
7.	Controlla Electrotech Private Limited Y10 / EP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700 091	U29303WB1991PTC052455	Subsidiary	100	2(87)

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
8.	Srei Mutual Fund Asset Management Private Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65990WB2009PTC139801	Subsidiary	100	2(87)
9.	Srei Mutual Fund Trust Private Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65990WB2009PTC139790	Subsidiary	100	2(87)
10.	Srei Insurance Broking Private Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U67120WB2002PTC095019	Subsidiary	100	2(87)
11.	Srei Asset Finance Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U65999WB2014PLC202301	Subsidiary	100	2(87)
12.	Srei Equipment Finance Limited 'Vishwakarma', 86C, Topsia Road (S), Kolkata – 700 046	U70101WB2006PLC109898	Subsidiary	100	2(87)
13.	Sahaj e-Village Limited Tangra Industrial Estate II, 45 Radhanath Choudhury Road, Kolkata – 700 015	U67190WB2002PLC095455	Associate	49.47	2(6)
14.	IIS International Infrastructure Services GmbH [Germany] Grandweg 142, 22529, Hamburg, Germany	Foreign Company	Associate	49.13	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2182714		2182714	0.43	2182714		2182714	0.43	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	303685845		303685845	60.36	303685845		303685845	60.36	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	**305868559**		**305868559**	**60.80**	**305868559**		**305868559**	**60.80**	**-**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)									
Total shareholding of Promoter A =(A)(1) + (A)(2)	**305868559**		**305868559**	**60.80**	**305868559**		**305868559**	**60.80**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	32262527	16120	32278647	6.42	8173508	9100	8182608	1.63	-4.79
b) Banks / FI	347223		347223	0.07	852275		852275	0.17	0.10
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	63645559	180000	63825559	12.69	64114891	180000	64294891	12.78	0.09

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Alternate Investment Funds	-	-	-	-	189000	-	189000	0.04	0.04
Sub-total (B)(1)	**96255309**	**196120**	**96451429**	**19.17**	**73329674**	**189100**	**73518774**	**14.61**	**-4.56**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	21161779	85091	21246870	4.22	19324641	68547	19393188	3.85	-0.37
ii) Overseas*	18773160	1735717	20508877	4.08	18773160	1735717	20508877	4.08	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	24708106	949696	25657802	5.10	32157579	760283	32917862	6.54	1.44
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	25618448	10636	25629084	5.09	39158351	10636	39168987	7.79	2.70
c) Others (specify)									
NBFCs Registered with RBI	71922	-	71922	0.01	39114	-	39114	0.01	(0.00)
Non Resident Indians	6856476	15994	6872470	1.37	8048604	15994	8064598	1.60	0.23
Clearing Members	618533	-	618533	0.12	1104700	-	1104700	0.22	0.10
Trusts	9180	-	9180	0.00	2174672	-	2174672	0.43	0.43
IEPF	151607	-	151607	0.03	327002	-	327002	0.06	0.03
Sub-total (B)(2)	97969211	2797134	100766345	20.03	121107823	2591177	123699000	24.59	4.56
Total Public Shareholding (B)=(B)(1)+(B)(2)	**194224520**	**2993254**	**197217774**	**39.20**	**194437497**	**2780277**	**197217774**	**39.20**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**500093079**	**2993254**	**503086333**	**100.00**	**500306056**	**2780277**	**503086333**	**100.00**	**-**

*Shown under Non-Institutions category pursuant to BSE email dated 26.10.2018.

Note: Shareholding has been consolidated based on PAN of the shareholders.

II. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2018)			Shareholding at the end of the year (as on 31.03.2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Hemant Kanoria (Promoter)	380000	0.08	-	380000	0.08	-	-
2.	Sunil Kanoria	1802714	0.36	-	1802714	0.36	-	-
3.	Adisri Commercial Private Limited	303675845	60.36	-	303675845	60.36	-	-
4.	Bhavah Enterprise Private Limited	10000	0.00	-	10000	0.00	-	-

III. Change in Promoters' Shareholding

Sl. No.	Name	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Hemant Kanoria (Promoter)**				
	At the beginning of the year	380000	0.08		
	Date-wise increase / decrease in promoters' shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			380000	0.08
2.	**Sunil Kanoria**				
	At the beginning of the year	1802714	0.36		
	Date-wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			1802714	0.36
3.	**Adisri Commercial Private Limited**				
	At the beginning of the year	303675845	60.36		
	Date-wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			303675845	60.36
4.	**Bhavah Enterprise Private Limited**				
	At the beginning of the year	10000	0.00		
	Date-wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			10000	0.00

IV. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders*	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Fidelity Investment Trust Fidelity Series Emerging Markets Opportunities Fund**				
	At the beginning of the year	34355610	6.83		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			34355610	6.83
2.	AADI Financial Advisors LLP**				
	At the beginning of the year	3278444	0.65		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease Date Reason 26.10.2018 Sale 02.11.2018 Sale 29.03.2019 Purchase	 200000 400000 2205645	 0.04 0.08 0.44	 3078444 2678444 4884089	 0.61 0.53 0.97
	At the end of the year			4884089	0.97
3.	Blue Diamond Properties Private Limited#				
	At the beginning of the year	2940689	0.58		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease Date Reason 29.03.2019 Sale	 2940689	 0.58	 -	 -
	At the end of the year			-	-
4.	Amal N Parikh**				
	At the beginning of the year	4720873	0.94		

Sl. No.	For Each of the Top 10 Shareholders*	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			4720873	0.94
5.	Reliance Capital Trustee Co. Ltd-A/C Reliance Small Cap Fund#				
	At the beginning of the year	3300000	0.66		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease Date Reason 19.10.2018 Sale	3300000	0.66	-	-
	At the end of the year			-	-
6.	BNP Paribas Lease Group**				
	At the beginning of the year	18773160	3.73		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			18773160	3.73
7.	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Funds**				
	At the beginning of the year	3494023	0.69		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			3494023	0.69
8.	SBI Magnum Taxgain Scheme**				
	At the beginning of the year	5409248	1.08		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			5409248	1.08
9.	Vanguard Total International Stock Index Fund**				
	At the beginning of the year	2934826	0.58		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease Date Reason 01.03.2019 Purchase 08.03.2019 Purchase	 399735 889168	 0.08 0.18	 3334561 4223729	 0.66 0.84
	At the end of the year			4223729	0.84
10.	SBI Contra Fund#				
	At the beginning of the year	2764155	0.55		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			2764155	0.55
11.	Deveshwari Negi@				
	At the beginning of the year	30000	0.01		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease Date Reason 24.08.2018 Purchase 28.09.2018 Purchase 05.10.2018 Purchase 19.10.2018 Purchase 26.10.2018 Purchase 02.11.2018 Purchase 14.12.2018 Purchase 08.02.2019 Purchase 15.02.2019 Purchase	 200000 200000 435000 100000 370000 25000 312000 1500000 152440	 0.04 0.04 0.09 0.02 0.07 0.00 0.06 0.30 0.03	 230000 430000 865000 965000 1335000 1360000 1672000 3172000 3324440	 0.05 0.09 0.17 0.19 0.27 0.27 0.33 0.57 0.66
	At the end of the year			3324440	0.66
12.	Government Pension Fund Global@				
	At the beginning of the year	531903	0.11		

Sl. No.	For Each of the Top 10 Shareholders*	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease				
	Date Reason				
	02.11.2018 Purchase	72189	0.01	604092	0.12
	09.11.2018 Purchase	529356	0.11	1133448	0.23
	16.11.2018 Purchase	1554462	0.31	2687910	0.53
	23.11.2018 Purchase	338802	0.07	3026712	0.60
	30.11.2018 Purchase	1067335	0.21	4094047	0.81
	07.12.2018 Purchase	1021717	0.20	5115764	1.02
	14.12.2018 Purchase	225504	0.04	5341268	1.06
	21.12.2018 Purchase	57191	0.01	5398459	1.07
	15.02.2019 Purchase	3015264	0.60	8413723	1.67
	01.03.2019 Sale	846008	0.17	7567715	1.50
	08.03.2019 Sale	585694	0.12	6982021	1.39
	15.03.2019 Sale	162120	0.03	6819901	1.36
	22.03.2019 Sale	150801	0.03	6669100	1.33
	29.03.2019 Sale	196898	0.04	6472202	1.29
	At the end of the year			6472202	1.29
13.	Morgan Stanley France S.A.@				
	At the beginning of the year	-	-		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease				
	Date Reason				
	18.05.2018 Purchase	126528	0.03	126528	0.03
	01.06.2018 Sale	10000	0.00	116528	0.02
	08.06.2018 Sale	40000	0.01	76528	0.02
	15.06.2018 Sale	15000	0.00	61528	0.01
	22.06.2018 Purchase	10000	0.00	71528	0.01
	29.06.2018 Purchase	55000	0.01	126528	0.03
	06.07.2018 Purchase	134597	0.03	261125	0.05
	20.07.2018 Purchase	140000	0.03	401125	0.08
	27.07.2018 Purchase	193888	0.04	595013	0.12
	10.08.2018 Sale	14000	0.00	581013	0.12
	17.08.2018 Sale	6625	0.00	574388	0.11
	24.08.2018 Purchase	98000	0.02	672388	0.13
	31.08.2018 Sale	923	0.00	671465	0.13
	07.09.2018 Sale	553000	0.11	118465	0.02
	14.09.2018 Sale	77000	0.02	41465	0.01
	21.09.2018 Sale	21000	0.00	20465	0.00
	28.09.2018 Purchase	21204	0.00	41669	0.01
	05.10.2018 Purchase	5458	0.00	47127	0.01
	12.10.2018 Purchase	19077	0.00	66204	0.01
	19.10.2018 Sale	56144	0.01	10060	0.00
	26.10.2018 Purchase	50633	0.01	60693	0.01
	02.11.2018 Sale	2683	0.00	58010	0.01
	09.11.2018 Sale	26046	0.01	31964	0.01
	16.11.2018 Sale	28129	0.01	3835	0.00
	14.12.2018 Purchase	21233	0.00	25068	0.00
	21.12.2018 Purchase	13632	0.00	38700	0.01
	04.01.2019 Sale	13188	0.00	25512	0.01
	08.01.2019 Purchase	80000	0.02	105512	0.02
	25.01.2019 Purchase	388523	0.08	494035	0.10
	01.02.2019 Purchase	1860231	0.37	2354266	0.47
	08.02.2019 Purchase	147000	0.03	2501266	0.50
	15.02.2019 Purchase	42000	0.01	2543266	0.51
	22.02.2019 Sale	50000	0.01	2493266	0.50
	01.03.2019 Purchase	93040	0.02	2586306	0.51
	08.03.2019 Purchase	666000	0.13	3252306	0.65
	15.03.2019 Sale	217418	0.04	3034888	0.60
	22.03.2019 Sale	70211	0.01	2964677	0.59
	At the end of the year			2964677	0.59

*We combine the folio of top ten shareholders to give a fair representation of the total holding

**Common top 10 shareholders as on 01.04.2018 and 31.03.2019

#Top 10 shareholders only as on 01.04.2018

@Top 10 shareholders only as on 31.03.2019

Note: The date wise increase or decrease in shareholding of top ten shareholders is also available on the website of the Company at https://www.srei.com/sites/default/files/Top-10-Shareholders-Date-wise-Movement-31.03.2019.pdf

V. Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1.	**Mr. Hemant Kanoria**				
	At the beginning of the year	380000	0.08		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			380000	0.08
2.	**Mr. Sunil Kanoria**				
	At the beginning of the year	1802714	0.36		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			1802714	0.36
3.	**Mr. Srinivasachari Rajagopal**				
	At the beginning of the year	-	-		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			-	-
4.	**Mr. Shyamalendu Chatterjee**				
	At the beginning of the year	-	-		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			-	-
5.	**Dr. Punita Kumar Sinha**				
	At the beginning of the year	-	-		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			-	-
6.	**Mr. Ram Krishna Agarwal**				
	At the beginning of the year	-	-		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			-	-
7.	**Mr. Malay Mukherjee**				
	At the beginning of the year	-	-		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			-	-
8.	**Mr. Balaji Viswanathan Swaminathan***				
	At the beginning of the year	-	-		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			-	-
9.	**Dr. Tamali Sengupta****				
	At the beginning of the year	-	-		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			-	-

	Key Managerial Personnel				
1.	**Mr. Hemant Kanoria - Chairman**				
	At the beginning of the year	380000	0.08		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			

	At the end of the year			380000	0.08
2.	**Mr. Rakesh Kumar Bhutoria - Chief Executive Officer#**				
	At the beginning of the year	-	-		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			-	-
3.	**Mr. Sanjeev Sancheti – Chief Strategy Officer##**				
	At the beginning of the year	269703	0.05		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			269703	0.05
4.	**Mr. Sandeep Lakhotia - Company Secretary**				
	At the beginning of the year	335993	0.07		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			335993	0.07
5.	**Mr. Sandeep Kumar Sultania – Chief Financial Officer###**				
	At the beginning of the year	-	-		
	Date-wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease	No Change during the year			
	At the end of the year			-	-

*Appointed w.e.f. September 05, 2018
**Appointed w.e.f. February 04, 2019
#Appointed w.e.f. November 16, 2018
##Designated as KMP w.e.f. April 28, 2018
###Appointed w.e.f. July 05, 2018

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount (Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount**	11,73,960	2,23,058	1	13,97,019
ii) Interest due but not paid***	137	-	-	137
iii) Interest accrued but not due	18,516	3,128	-	21,644
Total (i+ii+iii)	**11,92,613**	**2,26,186**	**1**	**14,18,800**
Change in Indebtedness during the financial year				
Addition		2,038		
Reduction	(1,69,101)			(1,67,063)
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount**	10,05,613	2,24,885	1	12,30,499
ii) Interest due but not paid***	328	-	-	328
iii) Interest accrued but not due	17,571	3,339	-	20,910
Total (i+ii+iii)	**10,23,512**	**2,28,224**	**1**	**12,51,737**

*Unclaimed Deposits
**Principal amount is based on contractual terms and does not include adjustment on account of effective interest rate for Rs. 2,911 Lacs (Previous year Rs. 3,734 Lacs) in accordance with IndAS 109
***Represents amount not debited by Bank and / or unclaimed amount

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Hemant Kanoria	
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961*		2,10,00,000
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission** - as % of profit - others, specify		-
5.	Others, please specify - Contribution to Provident Fund - LTA		 21,60,000 15,00,000
	Total (A)		**2,46,60,000**
	Ceiling as per the Act	275.53 Lacs (being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)	

*Excludes Commission of Rs. 1,20,00,000 paid during the year pertaining to Financial Year 2017-18

**Mr. Hemant Kanoria, Chairman has decided to forego the commission for the Financial Year 2018-19, in view of present difficult environment for NBFCs. Therefore, no commission is payable to him for the year

B. Remuneration to other Directors

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	Independent Directors	Mr. S. Rajagopal	Mr. Shyamalendu Chatterjee	Dr. Punita Kumar Sinha	Mr. Ram Krishna Agarwal	Mr. Malay Mukherjee	Dr. Tamali Sengupta*	
	Fee for attending Board and Committee Meetings	8,50,000	13,40,000	7,50,000	7,20,000	7,65,000	1,25,000	45,50,000
	Commission	8,00,000	8,00,000	8,00,000	8,00,000	8,00,000	-	40,00,000
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**16,50,000**	**21,40,000**	**15,50,000**	**15,20,000**	**15,65,000**	**1,25,000**	**85,50,000**

*Appointed w.e.f. February 04, 2019

(Amount in Rs.)

Sl No.	Particulars of Remuneration	Name of Directors		Total Amount
2.	Other Non-Executive Directors	Mr. Sunil Kanoria	Mr. Balaji Viswanathan Swaminathan*	
	Fee for attending Board and Committee Meetings	10,75,000	3,50,000	14,25,000
	Commission	8,00,000	-	8,00,000
	Others, please specify	-	-	-
	Total (2)	**18,75,000**	**3,50,000**	**22,25,000**
	Total (B)=(1+2)	**1,07,75,000**		
	Total Managerial Remuneration**	2,94,60,000		
	Overall Ceiling as per the Act	330.64 Lacs (being 6% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

*Appointed w.e.f. September 05, 2018

**Total Managerial Remuneration to Whole-time Director and other Directors (exclusive of sitting fees)

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Amount in Rs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel								Total Amount
		CEO	Group Chief People Officer	Internal Auditor	Senior Vice President	Chief Strategy Officer	CFO	CS	CEO	
		Mr. Sameer Sawhney*	Mr. Chandrasekhar Mukherjee**	Mr. Debashis Ghosh***	Mr. Samir Kumar Kejriwal**	Mr. Sanjeev Sancheti****	Mr. Sandeep Kumar Sultania#	Mr. Sandeep Lakhotia	Mr. Rakesh Kumar Bhutoria##	
1.	Gross salary									
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	67,73,008	2,00,43,320	-	43,02,769	1,42,40,047	62,98,383	86,08,080	1,51,35,371	7,54,00,978
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	29,700	32,400	21,600	32,400	13,500	1,29,600
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-	-	-
4.	Commission - as a % of Profit - others, specify	-	-	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (C)	**67,73,008**	**2,00,43,320**	**-**	**43,32,469**	**1,42,72,447**	**63,19,983**	**86,40,480**	**1,51,48,871**	**7,55,30,578**

*Resigned w.e.f. close of business hours on September 05, 2018

**Designated as KMP w.e.f. April 28, 2018 and ceased to be KMP w.e.f. February 04, 2019

***Designated as KMP w.e.f. April 28, 2018 and ceased to be KMP w.e.f. February 04, 2019. Further, Remuneration of Rs. 79,29,484/- during the said period was drawn from Srei Equipment Finance Limited, a wholly owned subsidiary company, since Mr. Debashis Ghosh was also the Chief Internal Auditor of the said wholly owned subsidiary company

****Designated as KMP w.e.f. April 28, 2018

#Appointed w.e.f. July 05, 2018

##Appointed w.e.f. November 16, 2018

Note: The remuneration details in the above table are on payment basis as per the Income Tax Act, 1961 and not on accrual basis as disclosed elsewhere in the Annual Report.

VII. PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

During the year under review, the Company and few Key Managerial Personnel's (KMPs) of the Company filed Compounding Applications with the Registrar of Companies, West Bengal under various Sections of the Companies Act, 2013 namely Sections 129, 134, 92(3) and Accounting Standards 17 and 18. The matter was subsequently heard in tranches and was settled in May, 2019. Copy of the MCA Order is awaited.

Sd/-
Hemant Kanoria
Chairman
DIN 00193015

Place: Kolkata
Date: May 25, 2019

STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Name of the Directors	Remuneration* (Rs.)	Median Remuneration of employees (Rs.)	Ratio (In times)
1	Mr. Hemant Kanoria	2,46,60,000	12,21,616	20.19
2	Mr. Sunil Kanoria	18,75,000		1.53
3	Mr. Srinivasachari Rajagopal	16,50,000		1.35
4	Mr. Shyamalendu Chatterjee	21,40,000		1.75
5	Dr. Punita Kumar Sinha	15,50,000		1.27
6	Mr. Malay Mukherjee	15,65,000		1.28
7	Mr. R. K. Agarwal	15,20,000		1.24
8	Dr. Tamali Sengupta**	1,25,000		0.10
9	Mr. Balaji Viswanathan Swaminathan***	3,50,000		0.29

*Remuneration includes sitting fees

**Appointed w.e.f. 4th February, 2019

***Appointed w.e.f. 5th September, 2018

Notes:

(a) The Non-Executive Directors of the Company are paid commission on an annual basis based on the recommendation of Nomination and Remuneration Committee and approval of the Board in accordance with Nomination and Remuneration Policy and within the approved statutory limit of the 1% of the net profits of the Company pursuant to Section 197 of the Companies Act, 2013 read with Rules thereto.

II. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sl. No.	Name	Designation	Remuneration of previous year* (Rs.)	Remuneration of Current year* (Rs.)	%ge increase
1	Mr. Hemant Kanoria	Chairman	3,61,60,000	246,60,000	(31.80)
2	Mr. Sunil Kanoria	Vice Chairman (Non Executive Director)	23,10,000	18,75,000	(18.83)
3.	Mr. Srinivasachari Rajagopal	Independent Director	18,10,000	16,50,000	(8.84)
4.	Mr. Shyamalendu Chatterjee		24,90,000	21,40,000	(14.06)
5.	Dr. Punita Kumar Sinha		20,50,000	15,50,000	(24.39)
6.	Mr. Malay Mukherjee		7,25,000	15,65,000	115.86
7.	Mr. R. K. Agarwal**		18,20,000	15,20,000	(16.48)
8.	Dr. Tamali Sengupta***		2,25,000	1,25,000	Refer Note (b)
9.	Mr. Balaji Viswanathan Swaminathan****	Non Executive Director	N.A.	3,50,000	Refer Note (c)
10.	Mr. Rakesh Kumar Bhutoria##	Chief Executive Officer	N.A.	1,59,02,206	Refer Note (d)
11.	Mr. Sandeep Lakhotia	Company Secretary	93,12,366	95,13,507	2.16
12.	Mr. Sandeep Kumar Sultania###	Chief Financial Officer	N.A.	67,42,233	Refer Note (e)
13.	Mr. Sameer Sawhney####	Chief Executive Officer	1,47,83,556	66,30,508	Refer Note (f)

*Remuneration includes sitting fees

**Re-designated as Independent Director w.e.f. 21st July, 2018

***Appointed w.e.f. 4th February, 2019

****Appointed w.e.f. 5th September, 2018

##Appointed w.e.f. 16th November, 2018

###Appointed w.e.f. 5th July, 2018

####Resigned w.e.f. 5th September, 2018

Notes:

(a) The Non-Executive Directors of the Company are paid commission on an annual basis based on the recommendation of Nomination and Remuneration Committee and approval of the Board in accordance with Nomination and Remuneration Policy and within the approved statutory limit of the 1% of the net profits of the Company pursuant to Section 197 of the Companies Act, 2013 read with Rules thereto.

(b) Dr. Tamali Sengupta was in office only for part of the previous year and was paid remuneration (sitting fees) of Rs. 2,25,000 for the Financial Year 2017-18. Dr. Sengupta was again appointed as a Director in the current Financial Year w.e.f. 4th February, 2019. Accordingly, the percentage of increase of remuneration in her case is not comparable with that of the previous year.

(c) Mr. Balaji Viswanathan Swaminathan was appointed in the current Financial Year (w.e.f. 5th September, 2018), and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.

(d) Mr. Rakesh Kumar Bhutoria was appointed in the current Financial Year (w.e.f. 16th November, 2018), and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.

(e) Mr. Sandeep Kumar Sultania was appointed in the current Financial Year (w.e.f. 5th July, 2018), and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.

(f) Mr. Sameer Sawhney was in office only for part of the current year (Resigned w.e.f. close of business hours on 5th September, 2018), and hence the percentage of increase of remuneration in his case is not comparable with that of the previous year.

The remuneration of the Key Managerial Personnel (KMPs) is linked to the market and is commensurate with their diverse responsibilities and experience.

III. The percentage increase in the median remuneration of employees in the financial year:

Median remuneration of previous year (Rs.)	Median remuneration of current year (Rs.)	% increase
14,86,820	12,21,616	(17.84)

IV. The number of permanent employees on the rolls of Company:

There were 124 employees as on 31st March, 2019 as against 99 employees as on 31st March 2018.

V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Sl. No.	Particulars	Average % increase
1	Increase in salary of Managerial Personnel	9
2	Increase in salary of employee (other than Managerial Personnel)	5

VI. Affirmation that the remuneration is as per the remuneration policy of the Company:

Yes, it is confirmed.

For and on behalf of Board of Directors

Sd/-
Hemant Kanoria
Chairman
DIN: 00193015

Place: Kolkata
Date: May 25, 2019

Particulars of Employees

Pursuant to Section 197(12) read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2019

List of top Ten employees of the Company in terms of the remuneration drawn and names of every employee who was employed for throughout and part of the year and was in receipt of remuneration exceeding the limits laid down in the Companies Act, 2013:

Sl. No.	Name	Designation	Remuneration Received (Rs.)	Qualification	Experience in years	Age in years	Date of Commencement of Employment	Last employment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
1	Hemant Kanoria	Chairman	2,46,60,000	B. Com (Hons.)	39	56	07.05.1994	None	0.08
2	Chandrasekhar Mukherjee	Group Chief People Officer	2,07,16,092	B.Com, PGPM & IR	26	55	08.06.2017	National Stock Exchange of India Limited – Chief People Officer	NIL
3	Shishir Jain	Head – Financial Solution Group	2,16,59,389	BE, MBA	24	46	23.02.2017	CX Advisors LLP– Managing Director	NIL
4	Rakesh Kumar Bhutoria*	Chief Executive Officer	1,59,02,206	B.E. (Hons), MMS	29	52	16.11.2018	Group EVP & Head – Commercial Banking & Strategic Initiatives – IDFC Bank	NIL
5	Sanjeev Sancheti	Chief Strategy Officer	1,52,36,267	B.Com (Hons.), ACA, AICWA	28	51	14.11.2007	Tebma Shipyards Limited - CFO	0.05
6	Anil Ladha	Chief - Corporate Finance	1,19,90,790	BE, MBA, CFA	27	50	01.08.2017	Reliance Communications Ltd. - Senior VP & Head - Investors Relations	NIL
7	Ganesh Prasad Bagree	Head - Special Situation Advisory	1,01,80,345	B. Com (Hons), CA	25	49	19.06.2008	ICICI - West Bengal Infrastructure Development Corporation Ltd. (ICICI-WINFRA) Assistant General Manager	0.00
8	Sandeep Lakhotia	Company Secretary	95,13,507	FCA, FCS	21	44	26.06.2000	None	0.07
9	Murli Manohar Khemka	Executive President	1,01,24,841	BSc, MMS (Finance), MBA	26	45	02.07.2008	Self Employed	NIL
10	Sandeep Kumar Sultania*	Chief Financial Officer	67,42,233	M.Com, MBF, FCA, ACS, ACMA, DISA(ICAI)	22	45	05.07.2018	Manaksia Industries Ltd. – Chief Financial Officer	NIL
11	Sameer Sawhney*	Chief Executive Officer	66,30,508	CA	24	48	05.11.2016	Regional CEO South and East Asia, ANZ Bank	NIL

*Employed for part of the financial year.

Notes:

(a) Remuneration includes Basic Salary, HRA, Special Allowance, Super Annuation Allowance, Commission, Ex-gratia, LTA, Medical, Leave Encashment, Employer's contribution to Provident Fund, Employer's contribution to NPS, Incentives and other Perquisites.

(b) Nature of Employment and duties: Contractual and in accordance with terms and conditions as per Company's rules and policies.

(c) No employee is a relative of any Director except Mr. Hemant Kanoria (Chairman) who is brother of Mr. Sunil Kanoria (Non-Executive Director & Vice Chairman).

For and on behalf of Board of Directors
Sd/-
Hemant Kanoria
Chairman
DIN: 00193015

Place : Kolkata
Date : May 25, 2019

CEO & CFO CERTIFICATION

(Pursuant to Regulation 17(8) read with Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors
Srei Infrastructure Finance Limited
'Vishwakarma'
86C, Topsia Road (South)
Kolkata – 700 046

25th May, 2019

We, Hemant Kanoria, Chairman, Rakesh Kumar Bhutoria, Chief Executive Officer (CEO) and Sandeep Kumar Sultania, Chief Financial Officer (CFO) of Srei Infrastructure Finance Limited certify to the Board that we have reviewed the financial statements and the cash flow statement of the Company for the Financial Year ended on 31st March, 2019 and to the best of our knowledge and belief, we certify that –

1. The Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; that the Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no fraudulent or illegal transactions and transactions violative of the Company's Code of Conduct.
3. For the purposes of financial reporting, we accept the responsibility for establishing and maintaining the internal controls which are monitored by the Company's Internal Audit Team and have evaluated based on feedbacks received from the Company's Internal Audit Team, the effectiveness of the internal control systems of the Company pertaining to financial reporting and have reported to the Auditors and the Audit Committee, the deficiencies, if any, in the operation and design of such internal controls and the steps taken or proposed to be taken to rectify the deficiencies.
4. We have indicated to the Auditors and the Audit committee:
   (i) significant changes, if any in the internal controls over financial reporting during the year;
   (ii) significant changes, if any in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
   (iii) that there have been no instances of significant fraud, of which we have become aware and consequently no involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-	Sd/-	Sd/-
Hemant Kanoria Chairman	**Rakesh Kumar Bhutoria** Chief Executive Officer (CEO)	**Sandeep Kumar Sultania** Chief Financial Officer (CFO)

SREI

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members,
Srei Infrastructure Finance Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated August 01, 2018.
2. We have examined the compliance of conditions of Corporate Governance by Srei Infrastructure Finance Limited ('the Company'), for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

3. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by the ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for any event or circumstances occurring after the date of this certificate.

Sd/-
Manoj Daga
Partner
Membership No.: 048523
UDIN: 19048523AAAAAB6493

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Place: Kolkata
Date: May 25, 2019

REPORT ON CORPORATE GOVERNANCE

Good Corporate Governance is not simply a phrase but the hallmark of every global organisation that enthrals shareholders, stakeholders and the likes. Combined with multi-disciplinary practices, efficient business functions, codes of ethics and legal compliance, an organisation's strengths grow from pillar to pillar owing to effective control and management ultimately leading to sustainable increased value and growth. Corporate governance plays a very imperative role in assisting the differentiation between a good organisation and an extraordinary organisation because legal compliance is mandatory and stipulated whereas sound corporate governance is rare skillset.

At Srei, our focus remains in our incessant attempts to congregate our shareholders with their expectations through organisational goals. For more than three decades now, our trait continues to be transparency and disclosure. Srei is committed to the adherence of global standards of Corporate Governance practices year on year. We strongly believe that the management is merely the trustee of the shareholders' capital and not the owner and therefore, prime significance is given to shareholder interests in all our policies.

Corporate Governance is not a destination but a journey for constantly improving sustainable value creation along with legal compliance, which Srei firmly believes in. It is due to this rationale that in addition to complying with mandatory statutory requirements, Srei implements effective governance practices which are continuously helping improve transparency, disclosures, internal controls and promotion of ethics at work place.

The Company's Equity shares are presently listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company was also listed on the Calcutta Stock Exchange Limited (CSE), however, owing to no trading in the equity shares of the Company on the same for a considerable amount of time, the Company effected voluntary delisting w.e.f. July 05, 2018 as per the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

The Company is in compliance with the Corporate Governance Code as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Details of compliances pursuant to the Listing Regulations for the year ended March 31, 2019 are provided below:

A. MANDATORY REQUIREMENTS

1. Company's philosophy on Code of Governance

Srei's primary objectives as well as goals are transparency, accountability and integrity. In order to enhance stakeholder's value, the Company ensures optimum utilisation of its available resources in most ethical manner. The Company has endeavoured to benchmark itself against global standards in all areas, including Corporate Governance. The Company enhances value for its stakeholders by focusing on growth and profitability, managing risks and contributing to the society.

2. Board of Directors

- **Composition**

As on March 31, 2019, the Board comprised of 9 (Nine) Directors with an optimal combination of Executive, Non-Executive and Independent Directors, including Women Directors. 2 (Two) Directors are Non-Executive Directors including Vice Chairman, 1 (One) Director is Executive Director (Chairman & Managing Director) and 6 (Six) Directors are Independent Directors involving 2 (Two) Independent Women Directors. Majority of the Board is comprised of Independent Directors. The Board's actions and decisions are aligned with best interests of the Company.

The Company recognises and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. The Company has framed a Policy on Board Diversity which sets out the approach to diversity on the Board of Directors of the Company. The said Policy is available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/policy-on-board-diversity.pdf.

During the year, a majority of the Board comprised of Independent Directors. Independent Directors play a crucial role in imparting balance to the Board processes by bringing independent judgement on issues of strategy, performance, resources, technology, finance, standards of the Company, conduct, etc.

None of the Directors on the Board serve as a Director in more than 8 (Eight) listed entities. Further, none of the Directors on the Board serve as an Independent Director of more than 7 (Seven) listed entities across all entities in which he/she is a Director. Further, none of the Director on the Board who is serving as a whole time Director / Managing Director in any listed entity is serving as an Independent Director of more than 3 (Three) listed entities across all entities in which he/she is a Director. The Company does not have any alternate Director on its Board for any Independent Director in accordance with Regulation 25(1) of SEBI Listing Regulations, 2015. Further, in compliance with Regulation 26 of SEBI Listing Regulations, 2015, none of the Directors on the Board is a member of more than 10 (Ten) committees or Chairman of more than 5 (Five) committees across all public limited companies (whether listed or not) in which he/she is a Director. For assessment of these criteria, the membership/chairmanship of the Audit Committee and the Stakeholders Relationship Committee alone has been considered. Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies at the same time with the directorship in public companies not exceeding 10 (Ten). All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them in other listed entities / public limited companies (whether listed or not) in accordance with SEBI Listing Regulations, 2015 and the Companies Act, 2013.

Pursuant to the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 issued by the Reserve Bank of India (RBI), all applicable NBFCs shall frame their internal guidelines on corporate governance with the approval of the Board of Directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's website, if any, for the information of various stakeholders. Accordingly, the Board of Directors of the Company have approved and adopted the Corporate Governance Framework for the Company in accordance with the RBI Directions. The said Framework was last revised on February 04, 2019. Further, a Certificate confirming compliance w.r.t. conformity with Corporate Governance Standards as envisaged in the said Directions is placed before the Board for noting. The Company's Corporate Governance Framework is available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/Corporate_Governance_Framework.pdf.

Further, relevant declarations and undertakings have been obtained from the Directors pursuant to the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016. The Company has also executed a Deed of Covenant individually with all the Directors in accordance with the said RBI Directions. The Deed of Covenant lays down acknowledgement by the Director that his/her appointment as Director on the Board of the Company is subject to applicable laws and regulations including Memorandum and Articles of Association of the Company and the provisions of the Deed of Covenant. The Deed of Covenant also inter alia lays down the duties of the Director as well as disclosures to be made by the Company to the Directors etc.

The Company has in place a Directors' and Officers' Liability Insurance Policy for an amount of Rs. 40,00,00,000/- (Rupees Forty Crores only) in order to safeguard and protect the interests of the Directors and Executives from any contingent liabilities. The said Policy is renewed annually.

The Composition of the Board of Directors as on March 31, 2019 is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015. The details of the Board of Directors as on March 31, 2019 are as under:

Sl. No.	Directors	DIN	Category
1.	Mr. Hemant Kanoria (Chairman & Managing Director)	00193015	Executive (Promoter)
2.	Mr. Sunil Kanoria (Vice Chairman)	00421564	Non Executive
3.	Mr. Srinivasachari Rajagopal	00022609	Independent
4.	Mr. Shyamalendu Chatterjee	00048249	Independent
5.	Dr. Punita Kumar Sinha	05229262	Independent
6.	Mr. Ram Krishna Agarwal*	00416964	Independent
7.	Mr. Malay Mukherjee	02272425	Independent
8.	Mr. Balaji Viswanathan Swaminathan**	01794148	Non Executive
9.	Dr. Tamali Sengupta***	00358658	Independent

*Re-designated as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 33rd Annual General Meeting (AGM) held on July 21, 2018

**Appointed as an Additional Director (Category: Non-Executive) w.e.f. September 05, 2018

***Appointed as an Additional Director (Category: Independent) w.e.f. February 04, 2019

Except Mr. Hemant Kanoria and Mr. Sunil Kanoria (being brothers), no Director of the Company is related to any other Director on the Board.

Shareholding of Directors & Key Managerial Personnel (KMPs)

Mr. Hemant Kanoria (Promoter) and Mr. Sunil Kanoria hold 3,80,000 and 18,02,714 Equity shares in the Company, respectively, as on March 31, 2019. None of the other Directors hold any Equity shares in the Company.

As on March 31, 2019, Mr. Hemant Kanoria, Chairman & Managing Director (CMD), Mr. Rakesh Kumar Bhutoria, Chief Executive Officer (CEO), Mr. Sandeep Kumar Sultania, Chief Financial Officer (CFO), Mr. Sandeep Lakhotia, Company Secretary and Mr. Sanjeev Sancheti, Chief Strategy Officer of the Company are the Whole-time Key Managerial Personnel (KMPs) of the Company in accordance with Section 2(51) read with Section 203 of the Companies Act, 2013. Mr. Hemant Kanoria, Mr. Sandeep Lakhotia and Mr. Sanjeev Sancheti hold 3,80,000, 3,35,993 and 2,69,703 Equity shares in the Company, respectively, as on March 31, 2019.

Appointment of Directors

The Board has formulated the Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMPs) and other employees in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The said Policy inter alia outlines the appointment criteria and qualifications, the term / tenure of the Directors on the Board of the Company and the matters related to their remuneration. The said Policy was last revised on February 04, 2019. The Nomination and Remuneration Policy is available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/Srei_Nomination_and_Remuneration_Policy.pdf.

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board has approved a policy on Fit and Proper Criteria of Directors in accordance with the RBI Directions for the purposes of determining whether a Director is fit and proper to hold such position.

Succession Policy

The Company recognises the importance of effective executive leadership to its success and has initiated requisite steps to put in place a Succession Plan for appointments to the Board and to the Senior Management. The Nomination and Remuneration Committee of the Company is entrusted with the responsibility to oversee succession planning for the Board and the Senior Management.

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment periodically as per the statute.

Executive Directors are appointed by the shareholders for a maximum period of 5 (Five) years at a time, but are eligible for re-appointment upon completion of their term.

Independent Directors are also appointed by the shareholders for a maximum period of 5 (Five) years at a time, but are eligible for re-appointment upon completion of their term. No independent director shall hold office for more than two consecutive terms of 5 (Five) years unless a cooling off period of 3 (Three) years elapses.

Non-Independent, Non-Executive Directors do not have any term, but retire by rotation as per the law.

Responsibilities

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.

The Whole time Director is responsible for corporate strategy, planning, external contacts and Board matters. The senior management personnel heading respective divisions are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions.

- Independent Directors (IDs)

As on March 31, 2019, the Company has 6 (Six) Independent Directors on its Board out of the total strength of 9 (Nine) Directors.

All the Independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the tests of their being independent as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations, 2015. All requisite declarations were placed before the Board. In the opinion of the Board, all the existing Independent Directors as well as those who are proposed to be appointed as such at the ensuing Annual General Meeting (AGM) of the Company, fulfill the conditions specified in SEBI Listing Regulations and are independent of the management.

Meeting of Independent Directors (IDs)

The Independent Directors (IDs) met on April 28, 2018 and February 04, 2019 without the presence of Non-Independent Directors and the Management Team. The meetings were attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The IDs also evaluated the performance of Chairperson, Non-Independent Directors and the Board as a whole.

Familiarisation Programme for IDs

In terms of Regulation 25(7) of SEBI Listing Regulations, 2015, the Company is required to conduct Familiarisation Programme for Independent Directors (IDs) to familiarise them about the Company including nature of industry in

which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information. Further, pursuant to Regulation 46 of SEBI Listing Regulations, 2015, the Company is required to disseminate on its website, details of familiarisation programme imparted to IDs including the details of i) number of programmes attended by IDs (during the year and on a cumulative basis till date), ii) number of hours spent by IDs in such programmes (during the year and on a cumulative basis till date), and iii) other relevant details.

3 (Three) such specific familiarisation programmes were conducted on April 28, 2018 and February 04, 2019. As a part of the first programme held on April 28, 2018, synopsis of the recommendations of Kotak Committee on Corporate Governance was circulated to the Independent Directors and was also deliberated upon.

As a part of the second programme held on February 04, 2019, presentation was circulated to the Independent Directors pertaining to Overview & Regulatory Framework of Non-Banking Financial Companies (NBFCs) and was also deliberated upon.

As a part of the third programme held on February 04, 2019, summary on relevant amendments pertaining to Independent Directors (IDs) issued by SEBI vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 notifying implementation of certain recommendations of Kotak Committee on Corporate Governance was circulated to the Independent Directors and was also deliberated upon. Further, specific provisions applicable to Independent Directors were also highlighted for ease of convenience.

All Directors attend the familiarisation programmes as these are scheduled to coincide with the Board meeting calendar to give them an opportunity to attend.

In addition to the above, the Directors are continuously encouraged to participate in various external training sessions to ensure that the Board members are kept up to date.

At the time of appointment, a new Director is welcomed to the Board of Directors of the Company by sharing an Induction Kit containing inter-alia the Organization Chart, brief profile of all Directors and Key Managerial Personnel (KMPs), Policy Compendium, Investor Presentation, Investor call transcripts amongst others.

Further, the management of the Company makes various presentations to the Independent Directors on an ongoing basis which inter-alia includes Company overview, various business verticals, latest key business highlights, financial statements, evolution as well as business model of the various business of the Company, as part of the familiarisation programme for Independent Directors.

Significant Statutory updates are circulated on a quarterly basis as a part of the agenda of the Board Meetings through which Directors are made aware of the significant new developments and highlights from various regulatory authorities viz. Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), etc.

The Company Secretary also regularly apprises the Board about their roles, rights and responsibilities in the Company from time to time as per the requirements of SEBI Listing Regulations, 2015, Companies Act, 2013 read together with the Rules and Schedules thereunder and the RBI Directions.

The Board has open channels of communication with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications and other related information. Directors are also informed of the various developments in the Company through e-mails, newsletters, internal magazines, etc. The same is made available on their I-Pads as well.

As a part of e-initiatives adopted by the Company, latest news and events including regulatory alerts are made available through, a smartphone knowledge application "Srei Chanakyaa". This app also serves as a means to enhance compliance awareness and contains detailed do's and don'ts, FAQ's for Insider Trading, presentations on SEBI Listing Regulations, 2015, NBFC Compliance Dashboard & other relevant matters.

The details of familiarisation programmes imparted to Independent Directors, as required under Regulation 46 of SEBI Listing Regulations, 2015, are available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/Familiarisation_Programme_for_Independent_Directors.pdf.

Performance Evaluation

The Nomination and Remuneration Committee (NRC) of the Company at its meeting held on February 04, 2019 formulated and laid down the revised criteria and manner for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors and Chairman) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI Listing Regulations, 2015, covering inter-alia the following parameters namely:

i) For Board Evaluation - degree of fulfillment of key responsibilities; Board culture and dynamics, amongst others.

ii) Board Committee Evaluation - effectiveness of meetings; Committee dynamics, amongst others.

iii) Individual Director Evaluation (including Chairman and Independent Directors) – Attendance, Contribution at Board Meetings, Guidance/support to management outside Board/Committee meetings, etc.

Further, the Chairman is additionally evaluated on key aspects of his role which includes inter-alia effective leadership to the Board, adequate guidance to the CEOs, etc. Independent Directors are additionally evaluated based on fulfillment of Independence criteria as specified in SEBI Listing Regulations, 2015 and Companies Act, 2013 and their independence from the management.

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Individual Directors (including Chairman, Independent Directors and Non Independent Non-Executive Directors). This exercise was carried out through a structured questionnaire prepared separately for Individual Board Members (including the Chairman) and above Board Committees based on the criteria as formulated by the NRC and in context of the Guidance note dated January 05, 2017 issued by SEBI. The said questionnaire was circulated to the Directors in physical mode and the same was also made available to the Directors on their I-Pads under the 'Diligent Boards' (Diligent) Application to carry out performance evaluation for the Financial Year 2018-19 on the broad parameters as laid down by the NRC.

Based on the above criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, and Individual Directors (including Chairman, Independent Directors and Non Independent Non-Executive Directors) was evaluated and found to be satisfactory. It was also noted that given the changing external environment, there is need for better allocation of time for business reviews, periodic refreshers for the Board on key strategic thrusts.

During the year under review, the Independent Directors of the Company reviewed the performance of Non-Independent Directors, the Board as a whole and of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors.

Further, the Independent Directors hold unanimous opinion that the Non-Independent Directors including the Chairman bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of the Company.

The Board as a, whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Chairman has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

The information flow between the Company's Management and the Board is complete, timely with good quality and sufficient quantity.

Key skills/expertise/competence of the Board of Directors

The Board of Directors of the Company comprises qualified members who bring in the required skills, expertise, and competence to allow them to make effective contribution to the Board and its Committees. The Board members are committed to ensuring that the Board is in well compliance with the highest standards of corporate governance.

In terms of SEBI Listing Regulations, 2015, the Company identified the following list of core skills/expertise/competencies as is required in the context of the Company's business(es) and sector(s) for it to function effectively and those which are actually available with the Board:

Skills/Expertise/ Competencies	Details
Behavioral	Fulfilling a director's duties and responsibilities, putting the organisation's interests before personal interests, acting ethically, active contributor, collaborative, performance oriented and professional.
Financial	Qualifications and/or experience in accounting and / or finance and the ability to analyse key financial statements, Leadership of a financial firm or management of the finance function of an expertise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, auditor or person performing similar functions.
Diversity	Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of the Company's customers, partners, employees, governments, and other stakeholders worldwide.
Industry	Experience in the financial services sector in which the Company operates. Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
Technology	Significant backgrounds in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models.

Skills/Expertise/ Competencies	Details
Strategic Expertise	Ability to understand, critically assess and review business strategies including acquisitions and other business combinations.
Board service and governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.

Further, in the table below, the specific areas of skills/expertise/competencies of individual Board members have been highlighted:

Name of Director	Skills/Expertise/Competencies						
	Behavioral	Financial	Diversity	Industry	Technology	Strategic Expertise	Board service and governance
Mr. Hemant Kanoria	√	√	√	√	-	√	√
Mr. Sunil Kanoria	√	√	√	√	-	√	√
Mr. Srinivasachari Rajagopal	√	√	√	√	√	√	√
Mr. Shyamalendu Chatterjee	√	√	-	√	-	√	√
Dr. Punita Kumar Sinha	√	√	√	-	-	√	√
Mr. Ram Krishna Agarwal	√	√	-	-	-	√	√
Mr. Malay Mukherjee	√	√	-	√	√	-	√
Mr. Balaji Viswanathan Swaminathan	√	√	-	√	-	√	√
Dr. Tamali Sengupta	√	√	√	√	-	√	√

■ Meetings

6 (Six) Board meetings were held during the year 2018-19 on April 28, 2018, June 23, 2018, September 05, 2018, November 16, 2018, January 21, 2019 and February 04, 2019. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Further, a resolution was passed by circulation by the Board of Directors of the Company on March 08, 2019 approving declaration of Interim Dividend for the Financial Year 2018-19.

The tentative annual calendar of the Board meetings for the forthcoming year are decided well in advance and published as part of the Annual Report.

The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Meetings are governed by structured agenda and all major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company effectively uses video conferencing facility, whenever necessary, to enable the participation of Directors who could not attend the same due to exigencies. Every Board Member is free to suggest items for inclusion in the Agenda.

Further, in compliance with the Secretarial Standard – 1 on 'Meetings of the Board of Directors' (SS-1) issued by The Institute of Company Secretaries of India (ICSI), any item not included in the Agenda is taken up for consideration before the Board with the permission of the Chairman and with the consent of majority of Directors present in the meeting.

The Directors have instant access to important information on their respective I-Pads, through 'Diligent Boards' (Diligent) application an International product for Board I-pads which gives the Directors instant access to important information on their respective I-Pads, allows log in through highly secured means, enables secured data on the device, enables the Directors to make private notes and comments ahead of the meeting, enables easy browsing and accessing of documents on online and offline mode; amongst many other advanced features.

In order to assist the Board Members and Senior Management to keep pace with the ever-changing laws and to apply them prudently in their respective area of activities, a Regulatory Landscape Handbook containing the regulatory changes carried out by the various Regulators is circulated on monthly, half yearly and annual basis. Important regulatory alerts are circulated on a real-time basis through a mobile application 'Srei Chanakyaa' which can be downloaded on Android and iOS devices. This application also serves as a means to create awareness pertaining to insider trading as it contains the detailed list of compliances under Srei Insider Code, FAQ's on Insider Trading and do's and don'ts for insider trading. Also, a Compliance Dashboard encompassing various compliances which are required to be adhered to by the Company being a Non-Banking Financial Institution (NBFC) is circulated to the Board Members and Senior Management on half yearly basis to ensure that all applicable laws for the Company as a NBFC are being complied with. Power point presentations, notes, impact analysis, compliance status checklist are shared from time to time on various rules, regulations and guidelines issued by various regulators with the Directors and Senior Management. A comprehensive Booklet on various Codes and Policies of the Company was compiled during the year under review and circulated as a ready reckoner to all the Directors and Senior Management of the Company.

As a measure to consolidate all the Corporate Governance practices of the Company at one place, a Corporate Governance Manual (CG Manual) has been adopted by the Board of Directors of the Company. The CG Manual is a consolidation of key aspects from various polices set out by the Company as required by the Companies Act, 2013, SEBI Listing Regulations, 2015 and Corporate Governance Directions issued by the Reserve Bank of India (RBI) and also sets out various practices followed by the Company at different levels, especially the Board of Directors of the Company, which vindicates the Company's principles of integrity, ethics, fairness and accountability.

The information as specified in Part A of Schedule II read with Regulation 17(7) of SEBI Listing Regulations, 2015 is regularly made available to the Board, whenever applicable, for discussion and consideration. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The important decisions taken at the Board/Committee(s) meetings are promptly communicated to the concerned departments/executives. The Company Secretary and / or Secretary to Committee records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to the Board/ Committee members within 15 (Fifteen) days from the date of conclusion of the meeting for their comments and the minutes are entered in the Minutes Book within 30 (Thirty) days from the date of conclusion of the meeting in compliance with Secretarial Standard – 1 on 'Meetings of Board of Directors' (SS-1) issued by The Institute of Company Secretaries of India (ICSI). Action Taken Report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee(s) for information and review by the Board/ Committee(s).

- Attendance of each Director at Board meetings held during the year 2018-19 and at the last Annual General Meeting (AGM)

Directors	No. of Board meetings during the tenure of the Director		Attendance at the last AGM held on July 21, 2018
	Held	Attended	
Mr. Hemant Kanoria	6	6	Yes
Mr. Sunil Kanoria	6	4	Yes
Mr. Srinivasachari Rajagopal	6	6	Yes
Mr. Shyamalendu Chatterjee	6	6	Yes
Dr. Punita Kumar Sinha	6	6	Yes
Mr. Ram Krishna Agarwal*	6	6	Yes
Mr. Malay Mukherjee	6	6	Yes
Mr. Balaji Viswanathan Swaminathan**	4	3	NA
Dr. Tamali Sengupta***	1	1	NA

*Re-designated as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 33rd Annual General Meeting (AGM) held on 21.07.2018

**Appointed as an Additional Director (Category: Non-Executive) w.e.f. 05.09.2018

***Appointed as an Additional Director (Category: Independent) w.e.f. 04.02.2019

- Number of other Companies or Committees in which the Director is a Director or Member/ Chairman

The following table gives the number of outside directorships and the Committee positions held by each of the Directors as on March 31, 2019 -

Directors	No. of Directorship in other Companies (other than Srei Infrastructure Finance Limited)		No. of Committee positions held in Indian Public Limited Companies (other than Srei Infrastructure Finance Limited)###	
	Indian Public Limited Companies#	Others##	Chairman	Member
Mr. Hemant Kanoria	2	6	1	2
Mr. Sunil Kanoria	1	2	-	2
Mr. Srinivasachari Rajagopal	6	2	3	6
Mr. Shyamalendu Chatterjee	4	-	3	3
Dr. Punita Kumar Sinha	9	9	2	9
Mr. Ram Krishna Agarwal*	5	3	3	6

Directors	No. of Directorship in other Companies (other than Srei Infrastructure Finance Limited)		No. of Committee positions held in Indian Public Limited Companies (other than Srei Infrastructure Finance Limited)###	
	Indian Public Limited Companies#	Others##	Chairman	Member
Mr. Malay Mukherjee	2	2	-	-
Mr. Balaji Viswanathan Swaminathan**	-	3	-	-
Dr. Tamali Sengupta***	3	4	1	3

*Re-designated as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 33rd Annual General Meeting (AGM) held on 21.07.2018

**Appointed as an Additional Director (Category: Non-Executive) w.e.f. 05.09.2018

***Appointed as an Additional Director (Category: Independent) w.e.f. 04.02.2019

#Includes Directorships in private companies that are either holding or subsidiary company of a public company

##Includes Directorships in private limited companies (other than private companies that are either holding or subsidiary company of a public company), foreign entities, companies under Section 8 of the Companies Act, 2013, alternate Directorships, Directorship/Memberships of Managing Committees of various Chambers/Institutions/Universities and proprietorship of firms

###Includes only Audit Committee and Stakeholders Relationship Committee of public limited companies, whether listed or not

The Directors of the Company are also directors in various other Listed entities as under:

Directors	Name of Indian Listed entities (debt/equity) where the Director is a director (other than Srei Infrastructure Finance Limited)*	Category of Directorship
Mr. Hemant Kanoria	1. India Power Corporation Limited 2. Srei Equipment Finance Limited (Debt Listed)	Chairman (Non-Executive) Chairman (Executive)
Mr. Sunil Kanoria	1. Srei Equipment Finance Limited (Debt Listed)	Vice Chairman (Executive)
Mr. Srinivasachari Rajagopal	1. GMR Infrastructure Limited	Independent
Mr. Shyamalendu Chatterjee	1. Srei Equipment Finance Limited (Debt Listed) 2. Emami Paper Mills Limited	Independent Independent
Dr. Punita Kumar Sinha	1. JSW Steel Limited 2. Rallis India Limited 3. Sobha Limited 4. Bharat Financial Inclusion Limited 5. Infosys Limited	Independent Independent Independent Independent Independent
Mr. Ram Krishna Agarwal	1. Electro Steel Castings Limited 2. Cigniti Technologies Limited	Independent Independent
Mr. Malay Mukherjee	1. Dilip Buildcon Limited	Independent
Mr. Balaji Viswanathan Swaminathan	-	-
Dr. Tamali Sengupta	1. Himachal Futuristic Communications Limited	Independent

*Listed entities have been identified from confirmations / declarations received from respective Directors and Corporate Identification Number (CIN) as available on the Ministry of Corporate Affairs' (MCA) website for companies and exclude directorship(s) in foreign listed entities

■ Board Committees

The Board has constituted various Committees consisting of Executive and Non-Executive Directors to focus on the critical functions of the Company.

The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and need a closer review. They are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by Members of the Board, as a part of good Corporate Governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Board has various Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Committee of Directors, Risk Committee, Credit Committee, Investment Committee, Corporate Social Responsibility Committee, Asset Liability Management Committee, Business Responsibility Committee, IT Strategy Committee and

Governance Committee as on March 31, 2019 in addition to few internal Committees. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval, as the case may be. Further, minutes of proceedings of the Committees are circulated to the Members and are placed before the Board for noting thereat. Further, during the year, the Board of Directors of the Company has accepted all recommendations received from its Board Committees.

The Terms of Reference for various Committees including their roles and powers is in accordance with the relevant provisions of Companies Act, 2013, SEBI Listing Regulations, 2015 and other applicable rules and regulations issued by the concerned Regulators from time to time.

Each of the Committees has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function.

3. Remuneration of Directors

- Details of remuneration paid/payable to Directors for the year ended March 31, 2019 are as follows:

(Amount in Rs.)

Directors	Sitting Fees[1]	Salary & Perquisites[2]	Commission[3]	Total
Mr. Hemant Kanoria (Chairman & Managing Director)	-	2,46,60,000	-	2,46,60,000
Mr. Sunil Kanoria (Vice Chairman)	10,75,000	-	8,00,000	18,75,000
Mr. Srinivasachari Rajagopal	8,50,000	-	8,00,000	16,50,000
Mr. Shyamalendu Chatterjee	13,40,000	-	8,00,000	21,40,000
Dr. Punita Kumar Sinha	7,50,000	-	8,00,000	15,50,000
Mr. Ram Krishna Agarwal*	7,20,000	-	8,00,000	15,20,000
Mr. Malay Mukherjee	7,65,000	-	8,00,000	15,65,000
Mr. Balaji Viswanathan Swaminathan**	3,50,000	-	-	3,50,000
Dr. Tamali Sengupta***	1,25,000	-	-	1,25,000

*Re-designated as Independent Director to hold office for a period of 5 (Five) consecutive years from the date of the 33rd Annual General Meeting (AGM) held on 21.07.2018

**Appointed as an Additional Director (Category: Non-Executive) w.e.f. 05.09.2018. In addition, he is also being paid Advisory fees for rendering advisory services to the Company

***Appointed as an Additional Director (Category: Independent) w.e.f. 04.02.2019

[1]includes sitting fees paid to Non-Executive Directors for various Board and Committee meetings

[2]includes basic salary, incentives, allowances, contribution to provident fund, leave encashment and other perquisites

[3]The Commission for the year ended March 31, 2019 will be paid, subject to deduction of tax, after adoption of the accounts by the Members at the ensuing Annual General Meeting. Further, Mr. Hemant Kanoria, Chairman has decided to forego the commission for the financial year 2018-19, in view of present difficult environment for NBFCs. Therefore, no commission is payable to him for the year.

- The appointment of Whole time Director is governed by resolution passed by the Nomination and Remuneration Committee, Board of Directors and the Shareholders of the Company, which covers the terms and conditions of such appointment including remuneration. Further, payment of remuneration to Whole time Director is also governed by the agreement executed between him and the Company, and approval of Shareholders, wherever applicable. The tenure of office of Mr. Hemant Kanoria is for 5 (Five) years effective from April 01, 2015 and can be terminated by giving 3 (Three) months notice in writing. There is no separate provision for payment of severance fees. Mr. Hemant Kanoria is presently liable to retirement by rotation. Further, the Board of Directors of the Company at its meeting held on February 04, 2019 approved appointment of Mr. Hemant Kanoria as the Chairman of the Company in whole time capacity, liable to retire by rotation, for a period of 5 (Five) years with effect from April 01, 2019 till March 31, 2024 on the existing terms and conditions including remuneration, subject to approval of the Members of the Company.

  Further, Mr. Hemant Kanoria, Chairman and Managing Director (CMD) and Mr. Sunil Kanoria, Vice Chairman (Non-Executive Director) of the Company, are also the Chairman and Vice Chairman (Executive), respectively, of Srei Equipment Finance Limited (SEFL), a wholly owned subsidiary of the Company

and are in receipt of remuneration (including commission) for the Financial Year 2018-19 from SEFL as per the details given below:

Name of Director	Remuneration (Rs. in Lacs)
Hemant Kanoria	756.58
Sunil Kanoria	761.45

Further, Mr. Shyamalendu Chatterjee, Independent Director of the Company is also an Independent Director of Srei Equipment Finance Limited (SEFL) and a Non – Executive Director of Srei Capital Markets Limited, both wholly owned subsidiaries of the Company and is in receipt of sitting fees from the said subsidiary companies.

Apart from the above, Mr. Hemant Kanoria, Mr. Sunil Kanoria and Mr. Shyamalendu Chatterjee have not received any remuneration or commission from any of the Company's subsidiaries or holding company during the Financial Year 2018-19.

The remuneration of Executive Directors is divided into two components viz. fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis key result areas, industry benchmark and current compensation trends in the market.

- The Non-Executive Directors are paid remuneration by way of sitting fees for each meeting of the Board or any Committee thereof attended by them and reimbursement of out-of-pocket expenses incurred, wherever applicable, for attending such meetings. The sitting fees as determined by the Board are presently Rs. 1,00,000/- for attending each meeting of the Board, Rs. 25,000/- for attending each meeting of the Audit Committee, Investment Committee, Risk Committee and Separate Meeting of Independent Directors and Rs. 10,000/- for attending each meeting of other Committees. The aforesaid payment is well within the limits prescribed under the Companies Act, 2013 and rules made therein.

  Further, the Members of the Company at their meeting held on August 02, 2014 approved payment of commission to Non-Executive Directors of the Company annually for each of the 5 (Five) financial years of the Company commencing from Financial Year 2014-15, an amount not exceeding 1 (One) per cent of the net profits of the Company payable in one financial year, to be divided amongst Non-Executive Directors in such amounts or proportions and in such manner as may be determined by the Board from time to time and in default of such determination equally and the above commission shall be in addition to the sitting fees payable to such Directors for attending meetings of the Board and/or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and/or Committee meetings. The Company has approved payment of remuneration of Rs. 48 (Forty Eight) Lacs by way of commission on net profits calculated under Section 198 of the Companies Act, 2013 and the Rules framed thereunder to Non-Executive Directors of the Company for the financial year 2018-19.

  The remuneration by way of commission to the Non-Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and distributed to them equally based on their attendance and contribution at the Board and certain Committee meetings as well as time spent on operational matters other than at the meetings.

  No pecuniary transactions have been entered into by the Company with any of the Non-Executive Directors of the Company, except the payment of sitting fees and commission to them. However, Mr. Balaji Viswanathan Swaminathan, Non Executive Non Independent Director of the Company is also associated with the Company in the capacity of Strategic Advisor and is being paid Advisory fees of Rs. 10,00,000 (Rupees Ten Lacs only) per month plus applicable taxes by the Company in compliance with Section 197 of the Companies Act, 2013.

4. Code of Conduct for Directors and Senior Management

A Code of Conduct as applicable to the Board of Directors and Senior Management (Vice Presidents and above) as approved by the Board, has been displayed on the Company's website www.srei.com. The Board Members and Senior Management have affirmed their compliance with the Code and a Declaration signed by the Chief Executive Officer (CEO) and Chairman pursuant to Regulation 34(3) read with Schedule V of SEBI Listing Regulations, 2015 is given below:

It is hereby declared that the Company has obtained from all the Board Members and Senior Management an affirmation that they have complied with the Code of Conduct for the financial year 2018-19.

sd/- sd/-

Rakesh Kumar Bhutoria — Chief Executive Officer

Hemant Kanoria — Chairman
DIN 00193015

Further, pursuant to Regulation 26(5) of SEBI Listing Regulations, 2015, Senior Management of the Company have affirmed that they have not entered into any material, financial and commercial transactions during the year in which they had personal interest, that may have potential conflict of interest with the Company.

5. Audit Committee

- Terms of Reference, Composition, Name of Members and Chairman

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations, 2015. The Audit Committee comprises Mr. Shyamalendu Chatterjee, Mr. Srinivasachari Rajagopal, Mr. Ram Krishna Agarwal and Mr. Malay Mukherjee, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Shyamalendu Chatterjee, Independent Director of the Company is the Chairman of the Audit Committee. All the Members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Head of Internal Audit Department, the Chief Financial Officer (CFO) and the Chief Executive Officer (CEO) attend the meetings of the Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors of the Company are invited to attend the Audit Committee meetings. The Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee. The Terms of Reference of this Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing/ examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors and adequacy of internal control systems, reviewing the functioning of the Whistle Blower Mechanism and other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI Listing Regulations, 2015.

At the 30th Annual General Meeting (AGM) of the Company held on August 01, 2015, Haribhakti & Co. LLP, Chartered Accountants, having registration No. 103523W / W100048 allotted by The Institute of Chartered Accountants of India (ICAI), were appointed as Statutory Auditors of the Company to hold office for a term of 5 (Five) years from the conclusion of 30th AGM till the conclusion of the 35th AGM of the Company. Further, in compliance with the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by RBI, the Company is required to rotate the partner of the Chartered Accountant firm conducting the audit, every 3 (Three) years so that same partner does not conduct audit of the Company continuously for more than a period of 3 (Three) years. However, the partner so rotated will be eligible for conducting the audit of the Company after an interval of 3 (Three) years, if the Company, so decides. Appropriate terms, in this regard, are incorporated in the letter of appointment furnished by the Company to the Auditors to ensure its compliance.

Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor (including all entities in the network firm/network entity of which the Statutory Auditor is a part) during the Financial Year 2018-19, are as follows:

(Rupees in Lacs)

Particulars	2018-19
Audit Fees	88.83
Tax Fees	39.51
Others	3.17
TOTAL	**131.51**

- Meetings and attendance during the year

6 (Six) meetings of the Audit Committee were held during the year 2018-19 on April 28, 2018, June 23, 2018, September 05, 2018, November 16, 2018, January 21, 2019 and February 04, 2019. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by SEBI Listing Regulations, 2015, was present in all the meetings of the Audit Committee held during the year.

The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee	6	6
Mr. Sunil Kanoria	6	4
Mr. Srinivasachari Rajagopal	6	6
Mr. Ram Krishna Agarwal*	3	3
Mr. Malay Mukherjee**	-	-

*Inducted as Member w.e.f. 05.09.2018

**Inducted as Member w.e.f. 04.02.2019

- The Company has an Internal Audit Department and the Head of the Department reports to the Audit Committee from time to time. The Company's system of internal controls covering financial and operational activities, compliances, IT applications, etc. are reviewed by the Internal Audit Department and presentations are made to the Audit Committee on the findings of such reviews. Further, in compliance with Section 177(4)(vii) of the Companies Act, 2013 and the RBI Directions, the Audit Committee maintains and evaluates the effectiveness of internal control systems of the Company pertaining to financial reporting, compliance with applicable Accounting Standards, and looks after overall financial activities under applicable laws and regulations governing the Company. Further, an Information System (IS) Audit of the internal systems and processes is conducted at least once in a year to assess operational risks faced by the Company. The Company has also appointed external agencies to undertake the Internal Financial Controls (IFC) implementation at the Company and for review, control and monitoring Internal Financial Controls as well as for the purpose of Information System (IS) Audit of the internal systems and processes of the Company.

6. Stakeholders Relationship Committee

- Terms of Reference, Composition, Name of Members and Chairman

  The Stakeholders Relationship Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI Listing Regulations, 2015. The Stakeholders Relationship Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director (Category - Executive), Mr. Sunil Kanoria, Vice Chairman (Category - Non-Executive) and Mr. Shyamalendu Chatterjee, Independent Director of the Company. Mr. Shyamalendu Chatterjee is the Chairman of the Stakeholders Relationship Committee. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Stakeholders Relationship Committee and is assigned with the responsibilities of overseeing investor grievances. The Committee oversees and reviews redressal of shareholder and investor grievances, transfer & transmission of shares, issue of duplicate share certificates, exchange of new design share certificates, recording dematerialisation & rematerialisation of shares, deal with matters relating to Srei Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) framed in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and related matters. The Stakeholders Relationship Committee meets at regular intervals to take note of share transfer and other matters.

- Meetings and attendance during the year

  During the year 2018-19, the Stakeholders Relationship Committee met 4 (Four) times on June 12, 2018, August 17, 2018, October 22, 2018 and January 25, 2019. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	4	4
Mr. Sunil Kanoria	4	3
Mr. Shyamalendu Chatterjee	4	4

Total number of shares physically transferred during the year 2018-19 was 5,744 shares compared to 2,305 shares during the year 2017-18.

- Status of Investors' Complaints for Equity Shares and Debentures/Bonds

  The Company has formulated and put in place a comprehensive Investor Grievance Redressal Policy prescribing the standards of shareholders' service & grievance redressal procedure and mechanism to be adhered to by the Registrar and Share Transfer Agents as well as the Company. Equity shareholders can write to the Company at 'investor.relations@srei.com' and Bond Holders can write to the Company at 'connect@sreibonds.com' on a day to day basis.

  Details of Investor Complaints received and resolved by the Company during the financial year ended March 31, 2019 is tabulated below:

Investor Complaints	Received (Nos.)	Resolved (Nos.)	Pending at the end of the financial year (Nos.)
From SEBI (SCORES)			
■ Equity	1	1	Nil
■ Debt	13	13	Nil
From Stock Exchanges			
■ Equity	-	-	-
■ Debt	2	2	Nil
Ministry of Corporate Affairs (MCA)			
■ Equity	-	-	-
■ Debt	-	-	-
Others (Received by RTA)			
■ Equity	151	151	Nil
■ Debt	1109	1108	1*

*Subsequently resolved

BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) have furnished separate confirmations that there are no investor complaints pending against the Company as on March 31, 2019.

Further, pursuant to Regulation 13(3) read with Regulation 13(4) of SEBI Listing Regulations, 2015, Statements of investor complaints as received from the Registrar & Share Transfer Agents, Karvy Fintech Private Limited, each for Equity shares and Bonds/Debentures were filed with the Stock Exchanges on a quarterly basis and the said Statements were also placed before the Board of Directors for information and noting.

It has been a constant endeavour of the Company to send regular emails to the shareholders keeping them abreast of all the latest events, press releases and corporate announcements that are made by the Company from time to time. Emails to new shareholders on weekly basis intimating corporate profile, annual reports and investor presentation and emails to all shareholders on quarterly basis intimating financial results are being sent to those shareholders who have registered their email addresses with their respective Depository Participants.

Shareholders have been given reminder to encash their dividends. Further, to constantly render effective and reliable services to Investors and to scale it up on a regular basis, the Company has taken an initiative to conduct a survey to assess the requirement and satisfaction of valuable shareholders of the Company. For the said survey, emails were sent to the shareholders with the link to access the Members' Feedback Form and the same was also made available on the website of the Company www.srei.com for electronic submission. In the wake of electronic regime being the order of the day, all shareholders are requested to update their email addresses to enable the Company to serve them better.

The Securities and Exchange Board of India (SEBI) vide its Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 introduced guidelines to streamline and strengthen the procedures and processes with regard to handling and maintenance of records, transfer of securities and payment of dividend/interest/redemption by the RTAs, Issuer Companies and Bankers to Issue.

SEBI vide the above mentioned Circular advised Issuer Companies to take special efforts through their RTAs to collect copy of PAN, and bank account details of all securities holders holding securities in physical form. Accordingly, in compliance with the said Circular, letters were sent by Karvy Fintech Private Limited, Registrar and Share Transfer Agents (RTA) of the Company to the concerned shareholders / debenture holders seeking PAN, and bank account details.

The above Circular also required RTAs and Issuer Companies to frame a written policy and maintain strict control on stationery including blank certificates, dividend / interest / redemption warrants. Accordingly, the Stakeholders Relationship Committee at its meeting held on January 25, 2019, recommended a Policy on Control and Maintenance of Stationery to the Board for approval and adoption. Subsequently, the said Policy was approved and adopted by the Board of Directors of the Company at their meeting held on February 04, 2019.

7. Nomination and Remuneration Committee

■ Terms of Reference, Composition, Name of Members and Chairman

The Nomination and Remuneration Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing

Regulations, 2015. The Nomination and Remuneration Committee comprises Mr. Shyamalendu Chatterjee, Mr. S. Rajagopal, Independent Directors and Mr. Sunil Kanoria, Non-Executive Director. Mr. Shyamalendu Chatterjee acts as the Chairman of the Nomination and Remuneration Committee. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee. The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, ensures 'fit and proper' status of the existing/proposed Directors of the Company in accordance with Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, identifies the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommends to the Board their appointment and removal and other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under SEBI Listing Regulations, 2015.

- Meetings and attendance during the year

  5 (Five) meetings of the Nomination and Remuneration Committee of the Company were held during the year 2018-19 on April 28, 2018, June 23, 2018, September 05, 2018, November 16, 2018 and February 04, 2019. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee	5	5
Mr. Sunil Kanoria	5	4
Mr. S. Rajagopal	5	5

The Nomination and Remuneration Committee at its said meetings discussed and approved various matters delineated in its Terms of Reference including revision of the Nomination and Remuneration Policy, revision of Performance Evaluation Criteria and laying down the manner for performance evaluation, Succession Planning etc. The Nomination and Remuneration Policy was last revised on February 04, 2019 and is available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/Srei_Nomination_and_Remuneration_Policy.pdf.

8. Subsidiary Companies' Monitoring Framework

All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company does not have any material unlisted subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary. However, Srei Equipment Finance Limited (SEFL), wholly owned subsidiary of the Company, is a 'listed material subsidiary' of the Company with its debt securities listed on Stock Exchanges. The Company monitors performance of subsidiary companies, inter alia, by the following means:

- Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
- Minutes of Board meetings of unlisted subsidiary companies are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

In addition to the above, the Company has formulated a Policy for determining 'Material' Subsidiaries in accordance with SEBI Listing Regulations, 2015. The said Policy was last revised on February 04, 2019 and is available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/Policy_on_determining_Material_Subsidiaries.pdf.

Mr. Shyamalendu Chatterjee, an Independent Director of the Company, is the Chairman (Non-Executive) of Srei Capital Markets Limited and Independent Director of SEFL, both wholly owned subsidiaries of the Company.

As on March 31, 2019, Srei Equipment Finance Limited (SEFL) is a material Subsidiary of the Company.

9. Corporate Social Responsibility Committee

- Terms of Reference, Composition, Name of Members and Chairman

  The Corporate Social Responsibility Committee has been constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman & Managing Director of the Company acts as the Chairman of the Corporate Social Responsibility Committee. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Committee. The Committee is responsible for

monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company etc. The Company's CSR Policy is available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/corporate-social-responsibility-policy.pdf.

- Meetings and attendance during the year

4 (Four) meetings of the Corporate Social Responsibility Committee of the Company were held during the year 2018-19 on April 24, 2018, September 03, 2018, November 15, 2018 and March 23, 2019. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	4	3
Mr. Sunil Kanoria	4	4
Mr. Shyamalendu Chatterjee	4	4

10. Committee of Directors

- Terms of Reference, Composition, Name of Members and Chairman

The Committee of Directors comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman & Managing Director of the Company acts as the Chairman of the Committee of Directors. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Committee. The Terms of Reference of this Committee includes oversight of banking and borrowing related matters, to authorise the Company officials for signing various agreements, deeds and documents etc., to consider, approve and submit various Bid documents etc. for promotion, investment, joint venture and/or expression etc. of business of the Company in the Infrastructure sector, amongst others.

- Meetings and attendance during the year

7 (Seven) meetings of the Committee of Directors of the Company were held during the year 2018-19 on April 24, 2018, June 12, 2018, August 17, 2018, October 22, 2018, January 18, 2019, February 04, 2019 and March 19, 2019. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	7	6
Mr. Sunil Kanoria	7	7
Mr. Shyamalendu Chatterjee	7	7

Further, considering urgency of matter, a resolution by circulation was passed by the Members on March 29, 2019.

11. Credit Committee

- Terms of Reference, Composition, Name of Members and Chairman

The Credit Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria and Mr. Balaji Viswanathan Swaminathan, Non-Executive Directors and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman & Managing Director of the Company acts as the Chairman of the Credit Committee. Mr. Shailendra Biyani acts as the Secretary to the Committee. The Terms of Reference of this Committee includes oversight of all Credit related matters, to give guarantees, letter of comforts, undertakings, indemnities, lien, pledge of securities, etc. on behalf of the Company, to consider, approve and adopt various policies or guidelines or code for the Company and make modifications thereto from time to time, to take decision in connection with any matter under Insolvency & Bankruptcy Code, 2016.

- Meetings and attendance during the year

15 (Fifteen) meetings of the Credit Committee of the Company were held during the year 2018-19 on April 07, 2018, May 11, 2018, May 19, 2018, June 12, 2018, June 29, 2018, July 14, 2018, July 26, 2018, August 11, 2018, August 29, 2018, September 24, 2018, October 13, 2018, December 29, 2018, February 01, 2019, February 12, 2019 and March 23, 2019. The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	15	15
Mr. Sunil Kanoria	15	14
Mr. Shyamalendu Chatterjee	15	14
Mr. Balaji Viswanathan Swaminathan*	6	-

*Inducted as a Member w.e.f. 05.09.2018

12. Investment Committee

- Terms of Reference, Composition, Name of Members and Chairman

  The Investment Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria and Mr. Balaji Viswanathan Swaminathan, Non-Executive Directors and Dr. Punita Kumar Sinha, Non-Executive & Independent Director. Mr. Hemant Kanoria, Chairman & Managing Director of the Company acts as the Chairman of the Investment Committee. Mr. Sanjeev Sancheti, Chief Strategy Officer of the Company acts as the Secretary to the Committee. The Terms of Reference of this Committee includes considering, authorising and approving all investment related matters of the Company in accordance with the Investment Policy of the Company.

- Meetings and attendance during the year

  4 (Four) meetings of the Investment Committee of the Company were held during the year 2018-19 on April 28, 2018, September 05, 2018, November 16, 2018 and February 04, 2019.

  The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	4	4
Mr. Sunil Kanoria	4	3
Dr. Punita Kumar Sinha	4	4
Mr. Balaji Viswanathan Swaminathan*	3	2

*Inducted as a Member w.e.f. 05.09.2018

13. Risk Committee

- Terms of Reference, Composition, Name of Members and Chairman

  The Risk Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria and Mr. Balaji Viswanathan Swaminathan, Non-Executive Directors and Mr. Shyamalendu Chatterjee and Mr. Malay Mukherjee, Non-Executive & Independent Directors. Mr. Shyamalendu Chatterjee acts as the Chairman of the Risk Committee. Mr. Debal Mitra acts as the Secretary to the Committee. The Terms of Reference of this Committee includes to identify and assess various risks across all entities in the Group and to suggest measures to minimise and/or mitigate the significant risks.

- Meetings and attendance during the year

  4 (Four) meetings of the Risk Committee of the Company were held during the year 2018-19 on April 24, 2018, September 03, 2018, November 15, 2018 and February 04, 2019.

  The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Hemant Kanoria	4	3
Mr. Sunil Kanoria	4	4
Mr. Shyamalendu Chatterjee	4	4
Mr. Malay Mukherjee*	3	3
Mr. Balaji Viswanathan Swaminathan**	2	-

*Inducted as a Member w.e.f. 28.04.2018

**Inducted as a Member w.e.f. 05.09.2018

14. Business Responsibility Committee

- Terms of Reference, Composition, Name of Members and Chairman

  The Business Responsibility Committee has been constituted in line with the provisions of Regulation 34 of SEBI Listing Regulations, 2015. The Business Responsibility Committee comprises Mr. Shyamalendu Chatterjee, Non-Executive and Independent Director, Mr. Ram Krishna Agarwal, Non-Executive and Independent Director, Mr. Sanjeev Sancheti, Chief Strategy Officer, Mr. Jaidip Chatterjee, Head – Human Resources and Mr. Sandeep Kumar Sultania, Chief Financial Officer. Mr. Shyamalendu Chatterjee

acts as the Chairman of the Business Responsibility Committee and Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Business Responsibility Committee. The Terms of Reference of this Committee includes to oversee the matters concerning the Business Responsibility Policy formulation & implementation, principles of responsible business and guidance and report/intimate any deviation to the Board; to review and decide on any matter concerning applicability, interpretation, operation and implementation of the Business Responsibility Policy; to formulate a system for grievance redressal mechanism related to the Business Responsibility Policy etc.

- Meetings and attendance during the year

  2 (Two) meetings of the Business Responsibility Committee of the Company were held during the year 2018-19 on April 28, 2018 and August 27, 2018.

  The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee	2	2
Mr. Ram Krishna Agarwal	2	2
Mr. Sanjeev Sancheti	2	2
Mr. S. B. Tiwari*	2	-
Mr. Madhusudhan Dutta**	2	1
Mr. Chandrasekhar Mukherjee***	-	-
Mr. Sandeep Kumar Sultania****	-	-
Mr. Jaidip Chatterjee*****	-	-

*Ceased to be Member w.e.f. 05.09.2018

**Ceased to be Member w.e.f. 04.02.2019

***Inducted as Member w.e.f. 05.09.2018 and subsequently ceased to be the Member w.e.f. 04.02.2019

****Inducted as Member w.e.f. 05.09.2018

*****Inducted as Member w.e.f. 04.02.2019

15. Asset Liability Management (ALM) Committee

- Terms of Reference, Composition, Name of Members and Chairman

  The Asset Liability Management (ALM) Committee comprises Mr. Hemant Kanoria, Chairman & Managing Director, Mr. Sunil Kanoria, Non-Executive Director, Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director, Mr. Malay Mukherjee, Non-Executive & Independent Director and Mr. Balaji Viswanathan Swaminathan, Non-Executive Director of the Company. Mr. Shyamalendu Chatterjee acts as the Chairman of the ALM Committee and Mr. Siddhartha Patodia acts as the Secretary to the ALM Committee. The Terms of Reference of this Committee includes review of liquidity position of the Company in various time buckets, review of Interest rate scenario including Srei Benchmark Rate (SBR) etc.

- Meetings and attendance during the year

  5 (Five) meetings of the ALM Committee of the Company was held during the year 2018-19 on April 24, 2018, September 03, 2018, October 29, 2018, November 15, 2018 and February 04, 2019.

  The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Sunil Kanoria	5	5
Mr. Shyamalendu Chatterjee*	5	5
Mr. Malay Mukherjee**	4	4
Mr. Hemant Kanoria***	3	2
Mr. Balaji Viswanathan Swaminathan***	3	-
Mr. Sanjeev Sancheti****	2	1
Mr. P. C. Patni****	2	2
Mr. Sandeep Lakhotia****	2	2

*Designated as Chairman w.e.f. 05.09.2018

**Inducted as a Member w.e.f. 28.04.2018

***Inducted as a Member w.e.f. 05.09.2018

****Ceased to be Member w.e.f. 05.09.2018

16. IT Strategy Committee

- Terms of Reference, Composition, Name of Members and Chairman

  The IT Strategy Committee has been constituted in line with the requirements of the Reserve Bank of India Master Direction – Information Technology Framework for the NBFC Sector. The IT Strategy Committee comprises Mr. Shyamalendu Chatterjee, Non-Executive & Independent Director, Mr. Sunil Kanoria, Non-Executive Director, Mr. Rakesh Kumar Bhutoria, Chief Executive Officer, Mr. Yogesh Kajaria and Mr. Siddhartha Patodia. Mr. Shyamalendu Chatterjee acts as the Chairman of the IT Strategy Committee and Mr. Sandeep Kumar Sultania, Chief Financial Officer, acts as the Secretary to the IT Strategy Committee.

  The Terms of Reference of this Committee includes to provide input to other Board committees and Senior Management regarding IT Strategies and its implementation, to carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements to ensure proper balance of IT investments for sustaining growth and instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner.

- Meetings and attendance during the year

  2 (Two) meetings of the IT Strategy Committee of the Company were held during the year 2018-19 on June 22, 2018 and February 01, 2019.

  The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee	2	2
Mr. Sunil Kanoria	2	2
Mr. Sameer Sawhney*	1	-
Mr. Devendra Kumar Vyas#	2	-
Mr. Syed Hussain**	-	-
Mr. Yogesh Kajaria	2	2
Mr. Pavan Trivedi#	2	2
Mr. Sunder Raj Vijaynagar**	-	-
Mr. Vishal Arora#	2	1
Mr. Ashish Kalay#	2	2
Mr. Indranil Sengupta#	2	1
Mr. Rakesh Kumar Bhutoria***	1	1
Mr. Siddhartha Patodia##	-	-

*Ceased to be Member w.e.f. close of business hours on 05.09.2018

**Ceased to be Member w.e.f. 01.04.2018

***Inducted as Member w.e.f. 16.11.2018

#Ceased to be Member w.e.f. 04.02.2019

##Inducted as Member w.e.f. 04.02.2019

17. Governance Committee

- Terms of Reference, Composition, Name of Members and Chairman

  The Board of Directors of the Company at its meeting held on November 16, 2018 constituted the Governance Committee pursuant to the provisions of Circular dated May 10, 2018 issued by the Securities and Exchange Board of India (SEBI). The Governance Committee comprises Mr. Shyamalendu Chatterjee, Non-Executive and Independent Director, Mr. Sunil Kanoria, Non-Executive Director and Mr. Balaji Viswanathan Swaminathan, Non-Executive Director. Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the Secretary to the Committee.

  The Terms of Reference of this Committee includes to identify and establish governance standards for "Group Entities" which includes Subsidiary companies and Associate companies of the Company, both listed and unlisted, incorporated in India or outside India, or any entity identified as group entity based on parameters for materiality or criticality as defined by the Committee, to review the measures already taken and recommending measures to be taken for ensuring Group Governance to the Board taking into account the best interests of the Company, to review and assess the adequacy of the Company's Corporate Governance Manual, Code of Conduct for Directors and Senior Management and other internal policies and guidelines, to ensure that a strong and effective group Governance Policy is in place, to define and identify the levels of risk posed by each of the group entities and accordingly obtaining inputs from the core management of the entities with respect to their applicable laws and compliance requirements.

- Meetings and attendance during the year

1 (One) meeting of the Governance Committee of the Company was held during the year 2018-19 on February 04, 2019.

The attendance of each member of the Committee is given below:

Members	No. of Meetings during the tenure of Members	
	Held	Attended
Mr. Shyamalendu Chatterjee	1	1
Mr. Sunil Kanoria	1	1
Mr. Balaji Viswanathan Swaminathan	1	-

18. General Body Meetings

- **Details of the location of the last three Annual General Meetings (AGMs) and the details of special resolutions passed**

The date, time and venue of the last three AGMs of the Company and details of special resolutions passed thereat have been provided in the section on Shareholders' Information in the Annual Report. All the resolutions set out in the respective Notices were passed by the Shareholders.

- **Details of Special Resolution(s) passed through Postal Ballot during the Financial Year 2017-18 and Financial Year 2018-19**

Financial Year 2017-18

During the Financial Year 2017-18, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated October 26, 2017 for adoption of new Articles of Association of the Company in conformity with the Companies Act, 2013, the results of which were announced on December 12, 2017. Mr. Mohan Ram Goenka, Practising Company Secretary, Kolkata (FCS No. 4515, CP No. 2551) was appointed as the Scrutinizer to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

Details of Voting Pattern are as under:

Resolution: (Ordinary / Special)		Special Resolution - Adoption of new Articles of Association of the Company						
Whether promoter / promoter group are interested in the agenda / resolution?		No						
Category	**Mode of Voting**	**No. of shares held**	**No. of votes polled**	**% of Votes Polled on outstanding shares**	**No. of Votes – in favour**	**No. of Votes – against**	**% of Votes in favour on votes polled**	**% of Votes against on votes polled**
		(1)	**(2)**	**(3)=[(2) / (1)]* 100**	**(4)**	**(5)**	**(6)=[(4)/ (2)]*100**	**(7)=[(5)/ (2)]*100**
Promoter and Promoter Group	E-Voting	30,58,68,559	30,58,68,559	100.00	30,58,68,559	-	100.00	-
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**30,58,68,559**	**30,58,68,559**	**100.00**	**30,58,68,559**	**-**	**100.00**	**-**
Public-Institutions	E-Voting	9,84,05,792	8,16,33,888	82.96	1,43,41,701	6,72,92,187	17.57	82.43
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**9,84,05,792**	**8,16,33,888**	**82.96**	**1,43,41,701**	**6,72,92,187**	**17.57**	**82.43**
Public-Non Institutions	E-Voting	9,88,11,982	23,22,402	2.35	23,21,701	701	99.97	0.03
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		49,029	0.05	44,434	4,595	90.63	9.37
	Total	**9,88,11,982**	**23,71,431**	**2.40**	**23,66,135**	**5,296**	**99.78**	**0.22**
Total		**50,30,86,333**	**38,98,73,878**	**77.50**	**32,25,76,395**	**6,72,97,483**	**82.74**	**17.26**

Note: The aforesaid resolution was passed with requisite majority on Sunday, December 10, 2017.

Procedure for Postal ballot

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the despatch of the Postal Ballot Notice dated October 26, 2017 along with the Explanatory Statement, postal ballot form and self-addressed postage pre-paid envelope on November 10, 2017 to all Members whose names appeared on the Register of Members/List of Beneficial Owners as on November 03, 2017. The Notice was sent through electronic mode to those Members, whose e-mail addresses were registered with the Depository Participants and/or the Registrar and Share Transfer Agents and through physical mode along with a self-addressed postage pre-paid envelope to those Members whose email ids were not so registered.

The Company also published a notice in the newspaper declaring the details

of completion of despatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Rules read with Regulation 44 of SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from November 11, 2017 (9.00 a.m. IST) to December 10, 2017 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through evoting in a fair and transparent manner, the scrutinizer i.e. Mr. Mohan Ram Goenka submitted his report to the Company and the results of the postal ballot were announced by the Company on December 12, 2017. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.srei.com and on the website of Karvy Fintech Private Limited (Karvy), https://evoting.karvy.com.

- Financial Year 2018-19

  During the Financial Year 2018-19, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated February 04, 2019 for continuation of Directorship of Mr. Srinivasachari Rajagopal (DIN: 00022609) as a Non Executive & Independent Director for his present term expiring on 1st August, 2019 notwithstanding that he has attained the age of 75 (seventy five) years, the results of which were announced on March 22, 2019. Mr. Mohan Ram Goenka, Practising Company Secretary, Kolkata (FCS No. 4515, CP No. 2551) was appointed as the Scrutinizer to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

  Details of Voting Pattern are as under:

Resolution: (Ordinary / Special)			Special Resolution - Continuation of Directorship of Mr. Srinivasachari Rajagopal (DIN: 00022609) as a Non Executive & Independent Director for his present term expiring on 1st August, 2019 notwithstanding that he has attained the age of 75 (seventy five) years					
Whether promoter / promoter group are interested in the agenda / resolution?			No					
Category	**Mode of Voting**	**No. of shares held**	**No. of votes polled**	**% of Votes Polled on outstanding shares**	**No. of Votes – in favour**	**No. of Votes – against**	**% of Votes in favour on votes polled**	**% of Votes against on votes polled**
		(1)	**(2)**	**(3)=[(2) / (1)]* 100**	**(4)**	**(5)**	**(6)=[(4)/ (2)]*100**	**(7)=[(5)/ (2)]*100**
Promoter and Promoter Group	E-Voting	30,58,68,559	30,58,68,559	100.00	30,58,68,559	-	100.00	-
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**30,58,68,559**	**30,58,68,559**	**100.00**	**30,58,68,559**	**-**	**100.00**	**-**
Public-Institutions	E-Voting	7,56,36,654	6,66,16,999	88.08	5,40,44,494	1,25,72,505	81.13	18.87
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		-	-	-	-	-	-
	Total	**7,56,36,654**	**6,66,16,999**	**88.08**	**5,40,44,494**	**1,25,72,505**	**81.13**	**18.87**
Public-Non Institutions	E-Voting	12,15,81,120	31,14,324	2.56	30,79,467	34,857	98.88	1.12
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot		76,875	0.06	70,246	6,629	91.38	8.62
	Total	**12,15,81,120**	**31,91,199**	**2.62**	**31,49,713**	**41,486**	**98.70**	**1.30**
Total		**50,30,86,333**	**37,56,76,757**	**74.67**	**36,30,62,766**	**1,26,13,991**	**96.64**	**3.36**

Note: The aforesaid resolution was passed with requisite majority on Thursday, March 21, 2019.

- Procedure for Postal ballot

  The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the despatch of the Postal Ballot Notice dated February 04, 2019 along with the Explanatory Statement, postal ballot form and self-addressed postage pre-paid business reply envelope on February 19, 2019 to all Members whose names appeared on the Register of Members/List of Beneficial Owners as on February 08, 2019. The Notice was sent through electronic mode to those Members, whose e-mail addresses were registered with the Depository Participants and/or the Registrar and Share Transfer Agents and through physical mode along with a self-addressed postage pre-paid business reply envelope to those Members whose email ids were not so registered.

  The Company also published a notice in the newspaper declaring the details of completion of despatch and other requirements as mandated under the

provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Rules read with Regulation 44 of SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from February 20, 2019 (9.00 a.m. IST) to March 21, 2019 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through evoting in a fair and transparent manner, the scrutinizer i.e. Mr. Mohan Ram Goenka submitted his report to the Company and the results of the postal ballot were announced by the Company on March 22, 2019. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.srei.com and on the website of Karvy Fintech Private Limited (Karvy), https://evoting.karvy.com.

No Resolution requiring a postal ballot was placed before the last AGM of the Company held on July 21, 2018.

The Company may seek to pass Special Resolution(s) in Financial Year 2019-20 through Postal Ballot, as and when required, subject to applicable Acts and Rules. Pursuant to the provisions of the Companies Act, 2013, in view of the e-voting facilities provided by the Company, none of the businesses proposed to be transacted at the ensuing AGM require passing a resolution through postal ballot.

19. Disclosures

- **Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large**

  Transactions effected with the related parties are disclosed under Note No. 39 in 'Notes to the Financial Statements' in the Annual Report, in accordance with the requirements of IND AS 24 as notified by the Companies (Indian Accounting Standards) Rules, 2015.

  A Statement in summary form of the transactions with related parties is periodically placed before the Audit Committee for review and approval and thereafter recommendation to the Board for their approval, wherever required.

  The Company's related party transactions, during the year, are primarily with the subsidiaries and associates of the Company. All these transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are generally carried out on an arm's length basis. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates.

  Besides the transactions reported in the Annual Report as aforesaid, no transaction of material nature has been entered into by the Company with its Directors or Key Managerial Personnel (KMPs) and their relatives that may have a potential conflict with the interests of the Company at large. The Company has not entered into any material related party transactions with any of its related parties during the financial year 2018-19. The Register of Contracts containing transactions, if any, in which Directors are interested, is placed before the Board regularly.

  The Company has formulated Related Party Transactions (RPT) Policy which provides a framework to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company. The said Policy was last revised on February 04, 2019 and is available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/Related_Party_Transactions_Policy.pdf.

  Prior approval of Audit Committee is obtained for all Related Party Transactions (RPTs), wherever applicable, except for the Related Party Transactions (RPTs) for which omnibus approval is granted by the Audit Committee from time to time.

- **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

  During the last 3 (Three) years, there were no strictures or penalties imposed by either Stock Exchanges or Securities and Exchange Board of India (SEBI) or any statutory authority for non-compliance of any matter related to the capital markets.

  In regard to the Application under Section 633 of the Companies Act, 1956 filed on November 26, 2008 in the Hon'ble Calcutta High Court by the Directors and Company Secretary of the Company, the Ad-interim order of injunction restraining the Regional Director and the Registrar of Companies, West Bengal from instituting or causing to be instituted any proceedings against the Directors and Company Secretary of the Company is still continuing.

- **Insider Trading Code**

  In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations, 2015), the Board of Directors of the Company adopted the Code of Conduct for Prohibition of Insider Trading (Srei Insider Code) for prohibition of Insider Trading by the Designated Employees and their immediate relatives as well as Promoter and Promoter Group of the Company. Further, awareness emails are circulated to all the Designated Employees of the

Company on a monthly basis for increasing awareness, highlighting the compliance requirements arising out of the Srei Insider Code including FAQs and the Do's and Don'ts on insider trading. Further, "Srei Chanakyaa", a smartphone knowledge application, which can be freely downloaded on Android and iOS devices also serves as a means to create insider trading awareness through the detailed list of compliances under Srei Insider Code, FAQ's on Insider Trading and Do's and Don'ts for insider trading. Further, initiatives have been taken by the Company to spread insider trading awareness by sending bulk SMS to all the Designated Employees of the Company intimating them about the closure of Trading Window and flashing the Do's and Don'ts as screen savers on the desktops / laptops of the Designated Employees.

The Board, at its meeting held on February 04, 2019, has revised the Srei Insider Code effective from April 01, 2019 in line with regulatory changes.

Further, with the sole objective of increasing awareness on Srei Insider Code in an easy and simple manner, an Insider Trading Module, a webinar course on Lead Srei Online, is made available for Designated Employees of the Company.

Mr. Sandeep Lakhotia, Company Secretary is the Compliance Officer for monitoring adherence to the Regulations for the preservation of price sensitive information, pre-clearance of trades and implementation of the Srei Insider Code.

- **Fair Disclosure Code**

  Pursuant to Regulation 8 read with Schedule A of the PIT Regulations, 2015, the Board of Directors of the Company adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) (Srei Fair Disclosure Code) which lays down principles and practices to be followed by the Company pertaining to universal disclosure of UPSI. The said Code was last revised on February 04, 2019.

  Mr. Sanjeev Sancheti, Chief Strategy Officer, also designated as Chief Investor Relations Officer, is authorised to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner. A quarterly certificate, affirming compliance with the Srei Fair Disclosure Code is placed before the Stakeholders Relationship Committee for noting. The said Code is available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI_.pdf.

- **Disclosure of events or information pursuant to SEBI Listing Regulations, 2015**

  Pursuant to Regulation 30(1) of SEBI Listing Regulations, 2015, the Board of Directors of the Company adopted the Policy for determination of Materiality of any event/information for the purpose of proper, sufficient and timely disclosure of the same to the stock exchange(s). The Policy for determination of Materiality of any event/information was last revised on February 04, 2019 and the said Policy is available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/Policy_for_determination_of_Materiality_of_any_Event_or_Information.pdf.

  The Committee of Key Executives for the determination of Materiality of events/information comprises:

Name	Designation
Mr. Hemant Kanoria	Chairman & Managing Director
Mr. Rakesh Bhutoria*	Chief Executive Officer (CEO)
Mr. Sanjeev Sancheti	Chief Strategy Officer
Mr. Sandeep Kumar Sultania**	Chief Financial Officer (CFO)

*Inducted as Member w.e.f. 16.11.2018

**Inducted as Member w.e.f. 05.07.2018

  Further, Mr. Sandeep Lakhotia, Company Secretary of the Company acts as the coordinator and liaison officer for dissemination of material events/information to the Stock Exchanges(s) in terms of SEBI Listing Regulations, 2015 and Company's Policy.

  Further, in compliance with Regulation 30(8) of SEBI Listing Regulations, 2015, all such events or information which has been disclosed to Stock Exchanges under the said regulation has been disclosed on the website of the Company www.srei.com.

  Further, with the objective of increasing awareness on disclosure requirements arising under Regulation 30 of SEBI Listing Regulations, 2015, the SEBI Listing Regulations Module, a webinar course on Lead Srei Online, is made available for Senior Employees of the Company.

- **Whistle Blower Policy (Vigil Mechanism)**

  The Company has formulated a codified Whistle Blower Policy in order to encourage Directors and employees of the Company to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy was last revised on February 04, 2019 and is available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/Whistle_Blower_Policy.pdf.

  The Company affirms that none of the employees have been denied access to the Audit Committee. Quarterly report with number of complaints received, if any, under the Whistle Blower Policy and their outcome is placed before the Audit Committee of the Company at quarterly intervals.

Further, no complaints were received during the year under the Whistle Blower Policy.

- **Policy against Sexual and Workplace Harassment**

  The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company in its endeavour to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. Further, the Company has created an online module for the employees which will help the learner to understand the costs of sexual harassment at workplace and the importance of prevention of sexual harassment. Further, the module will familiarise the employees not just about the legal requirements but also the moral and ethical reasons why organisations must promote healthy workplace.

  The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('Act'). The Policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at workplace. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy.

  The details of complaints during the Financial Year 2018-19 pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Company's Policy on Prevention of Sexual Harassment is as under:

FY 2018-19

Number of complaints filed	Number of complaints disposed off	Number of complaints pending
NIL	NIL	Nil

20. Means of Communication

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, Press Release and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information as well as all such other material and relevant matters which in its, opinion are material and relevant for the shareholders. The Company effectively uses NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Centre, a web based application designed by National Stock Exchange of India Limited and BSE Limited, respectively, for filing of shareholding pattern, corporate governance report, financial statements and significant corporate announcements thereby saving time, cost and ensuring operational efficiency.

■ Quarterly results	The Quarterly results of the Company are published in prominent English Newspaper having nationwide circulation as well as Bengali Newspaper and regularly hosted on Company's website. Further, pursuant to Regulation 47 read with Regulation 33 of SEBI Listing Regulations, 2015, extract of the Consolidated Results were published as per the prescribed format.
■ Newspapers in which results are normally published	Business Standard, HT Mint, Hindu Business Line, Financial Express and Ek Din.
■ Any website, where displayed	Yes, at the Company's website www.srei.com
■ Whether it also displays official news releases	Yes
■ The presentations made to institutional investors or to the analysts	Yes Pursuant to Para A of Part A of Schedule III read with Regulation 30 of SEBI Listing Regulations, 2015, schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional Investors, if any, has been duly disclosed by the Company to the Stock Exchanges and the same has also been simultaneously disseminated on the Company's website www.srei.com pursuant to Regulation 46(2) of the said Regulations.
■ Whether MD & A is a part of Annual Report or not	Yes

21. General Shareholders' Information

A section on Shareholders' Information is separately provided in the Annual Report.

B. DISCRETIONARY REQUIREMENTS

(Regulation 27 of SEBI Listing Regulations, 2015)

a) Chairman of the Board Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties	Not Applicable as the Company has an Executive Chairman.
b) Shareholder rights A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders	Since quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Bengali daily newspaper (having circulation in Kolkata) and regularly hosted on Company's website, these are not sent individually to the shareholders of the Company. There is no declaration/publication of second half yearly results as the audited annual results are taken on record by the Board and then communicated to the shareholders through the Annual Report. However, emails are sent on a quarterly basis to the shareholders of the Company having e-mail ids giving financial highlights of the Company. The Annual Report of the Company for the financial year 2018-19 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member. The Company communicates with shareholders through e-mail, telephone and one on one meetings either in shareholder's conferences, Company visits or on road shows.
c) Modified opinion(s) in audit report Company may move towards a regime of unmodified financial statements	It is always the Company's endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on March 31, 2019.
d) Separate posts of Chairman and CEO The Company may appoint separate persons to the post of Chairman and Managing Director / CEO	The positions of Chairman and Chief Executive Officer (CEO) are separate. The Chairman of the Company is an Executive Director and his position is separate from that of the CEO.
e) Reporting of Internal Auditor The Internal Auditor may report directly to the Audit Committee	The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

Srei Infrastructure Finance Limited

SHAREHOLDERS' INFORMATION

1. Annual General Meeting	
a. Date and Time	Saturday, July 27, 2019 at 10.30 a.m.
b. Venue	Bhasha Bhawan Auditorium, National Library, Belvedere Road, Alipore, Kolkata - 700 027
2. Financial Calendar (Tentative)	
a. Financial reporting for 2019-20	
Quarter ending June 30, 2019	On or before August 14, 2019
Quarter / Half year ending September 30, 2019	On or before November 14, 2019
Quarter / Nine months ending December 31, 2019	On or before February 14, 2020
Year ending March 31, 2020	On or before May 30, 2020
b. Annual General Meeting for the year ending on March 31, 2020	July / August, 2020
3. Dividend Payment Date	Pursuant to the approval of the Board of Directors on March 08, 2019, the Company paid an interim dividend of Re. 0.50 (i.e. 5%) per equity share of Rs. 10/- each to the shareholders whose names appeared on the Company's Register of Members as on closing hours of March 16, 2019, being the record date fixed for this purpose. The Board did not recommend a final dividend and therefore total dividend for the year ended March 31, 2019 will be Re. 0.50 (i.e. 5%) per equity share of Rs. 10/- each
4. Listing on Stock Exchanges	The Equity shares and other Securities of the Company are presently listed on the following Stock Exchanges: **a.** **BSE Limited** P. J. Towers, Dalal Street Mumbai – 400 001 **b.** **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot no. C / 1, G Block Bandra - Kurla Complex, Bandra (E) Mumbai – 400 051 Equity shares were voluntarily delisted from The Calcutta Stock Exchange Limited (CSE) w.e.f. July 05, 2018. The Debt securities of the Company are listed on the Debt Segment of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Subsequent to the exclusion of Futures & Options contracts of the Company from Equity Derivatives Segment of the Stock exchanges, there were no contracts available for trading in the Derivatives segment with effect from March 01, 2019.
5. Listing Fees	Listing fees for the financial year 2018-19 has been paid to all the Stock Exchanges within timelines.
6. International Security Identification Number (ISIN)	Equity Shares - INE872A01014

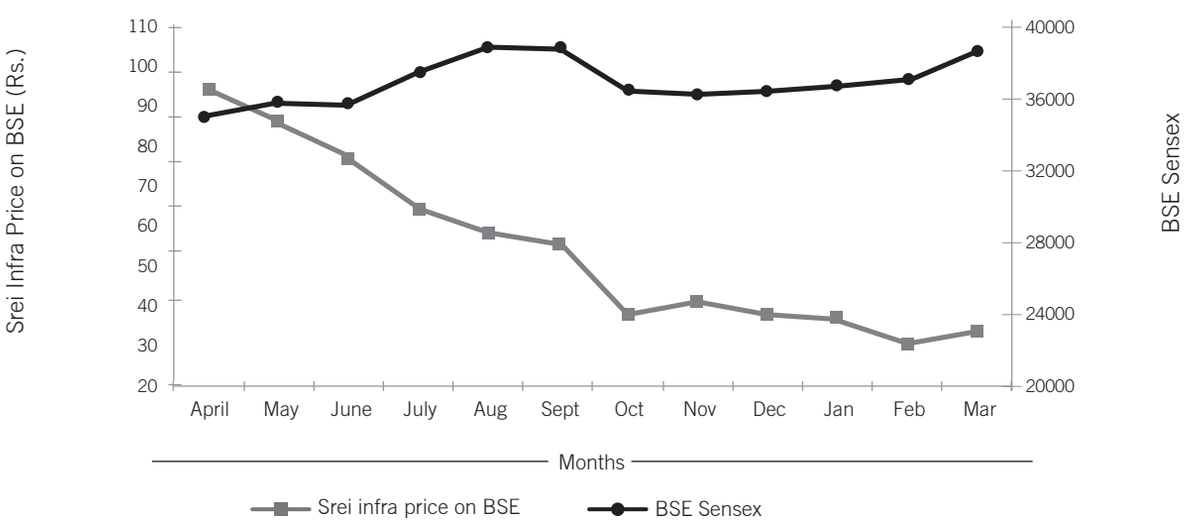
7. Stock Codes (Equity Shares)	Equity Shares BSE - 523756 and NSE - SREINFRA
8. Corporate Identification Number (CIN)	L29219WB1985PLC055352

9. Stock Market Data

Month	National Stock Exchange of India Limited			BSE Limited		
	High Rs.	Low Rs.	Volume	High Rs.	Low Rs.	Volume
April, 2018	94.90	74.30	4,45,57,597	95.40	74.40	37,17,451
May, 2018	86.90	70.60	3,17,98,781	86.90	70.75	33,12,398
June, 2018	78.45	58.70	4,59,14,241	78.35	58.65	34,56,467
July, 2018	64.80	49.75	7,14,85,502	64.90	49.60	65,91,361
August, 2018	58.70	45.85	7,58,43,461	58.75	45.90	77,78,091
September, 2018	55.75	30.10	12,79,60,388	55.75	30.10	1,40,15,647
October, 2018	37.70	25.35	13,64,27,395	37.55	25.40	1,40,98,752
November, 2018	40.35	30.60	11,28,77,592	40.60	29.00	1,18,52,115
December, 2018	37.65	28.20	6,74,80,429	37.60	28.35	73,22,350
January, 2019	36.95	28.70	9,41,93,995	36.95	28.00	96,19,915
February, 2019	30.20	19.15	10,66,37,025	30.75	19.15	1,19,71,863
March, 2019	33.55	27.00	3,13,67,114	33.80	27.10	47,69,009

Note: Volume is the total monthly volume of trade in number of shares

Performance in comparison to BSE Sensex (monthly High)



10. Registered Office

a.	Address	'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046
b.	Telephone No.	91-33-6160 7734
c.	Facsimile Nos.	91-33-2285 7542 / 8501
d.	Website	www.srei.com
e.	Email	corporate@srei.com

11. Registrar and Share Transfer Agent's details

a.	Name & Address	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032
b.	Telephone Nos.	040-67161500, 1800-345-4001
c.	Facsimile No.	040-23420814
d.	Website	www.karvyfintech.com
e.	Email	einward.ris@karvy.com

12. Details of Debenture Trustees

a.	Name & Address	Axis Trustee Services Limited The Ruby, 2nd Floor SW, 29 Senapati Bapat Marg, Dadar West Mumbai - 400 028
b.	Telephone Nos.	91-22- 6230-0451
c.	Facsimile Nos.	91-22- 6230-0700
d.	Website	www.axistrustee.com
e.	Email	debenturetrustee@axistrustee.com
a.	Name & Address	Catalyst Trusteeship Limited 'GDA House' Plot No.85, Bhusari Colony (Right) Kothrud, Pune – 411 038
b.	Telephone Nos.	91-22-4922-0543
c.	Facsimile Nos.	91-22-4922-0505
d.	Website	www.catalysttrustee.com
e.	Email	complianceCTL-mumbai@ctltrustee.com

13. Financial Year: 1st April to 31st March

14. Particulars of Past three AGMs

AGM	Year	Venue	Date	Time	Members present
33rd*	2017/18	'Science City Mini Auditorium', JBS Haldane Avenue, Kolkata - 700046	21/07/2018 (Saturday)	10.30 a.m.	2,207
32nd**	2016/17	'Science City Mini Auditorium', JBS Haldane Avenue, Kolkata - 700046	22/07/2017 (Saturday)	10.30 a.m.	2,401
31st***	2015/16	'Science City Mini Auditorium', JBS Haldane Avenue, Kolkata - 700046	06/08/2016 (Saturday)	10.30 a.m.	2,425

*One Special Resolution was passed:

- Issue of Non-Convertible Debt Securities on private placement basis in one or more tranches upto a maximum aggregate amount of Rs. 5,000 Crores during the period of 1 (one) year from the date of passing of the Resolution by the Members, in terms of Section 42 and 71 of the Companies Act, 2013 and Rules thereunder.

**One Special Resolution was passed:

- Issue of Non-Convertible Debt Securities on private placement basis in one or more tranches upto a maximum aggregate amount of Rs. 10,000 Crores during the period of 1 (one) year from the date of passing of the Resolution by the Members, in terms of Section 42 and 71 of the Companies Act, 2013 and Rules thereunder.

***One Special Resolution was passed:

- Issue of Non-Convertible Debt Securities on private placement basis in one or more tranches upto a maximum aggregate amount of Rs. 10,000 Crores during the period of 1 (one) year from the date of passing of the Resolution by the Members, in terms of Section 42 and 71 of the Companies Act, 2013 and Rules thereunder.

15. Distribution of Shareholding as on March 31, 2019

Category (Shares)	No. of Shareholders*		No. of Shares	
	Total	Per cent	Total	Per cent
Up to 500	58562	78.11	8977477	1.78
501 to 1000	7906	10.55	6401825	1.27
1001 to 2000	4046	5.40	6306350	1.25
2001 to 3000	1433	1.91	3726816	0.74
3001 to 4000	688	0.92	2489380	0.49
4001 to 5000	595	0.79	2826906	0.56
5001 to 10000	861	1.15	6458734	1.28
10001 to 20000	393	0.52	5718227	1.14
20001 and above	486	0.65	460180618	91.47
Total	**74970**	**100.00**	**503086333**	**100.00**

*based on no. of folios

16. Dividend History (Last 5 Years)

Financial Year	Dividend Per Share* (Rs.)	Dividend Declaration
2018 - 19	0.50	March 08, 2019**
2017 - 18	0.50	July 21, 2018
2016 - 17	0.50	July 22, 2017
2015 - 16	0.50	August 06, 2016
2014 - 15	0.50	August 01, 2015
2013 - 14	0.50	August 02, 2014

*share of paid-up value of Rs. 10/- per share

**Interim Dividend

17. Categories of Shareholders as on March 31, 2019

Category Code	Category of Shareholder	Total Number of Shares	As a Percentage of (A+B+C)
A	Shareholding of Promoter and Promoter Group		
1	Indian	305868559	60.80
2	Foreign	N.A	N.A
	Total Shareholding of Promoter and Promoter Group*	**305868559**	**60.80**
B	Public Shareholding		
1	Institutions	73518774	14.61
2	Non-institutions**	123699000	24.59
	Total Public Shareholding	**197217774**	**39.20**
C	Non Promoter-Non Public		
1	Shares underlying DRs	-	-
	Total Non Promoter-Non Public Shareholding	**-**	**-**
	GRAND TOTAL (A+B+C)	**503086333**	**100.00**

*None of the shares held by the Promoter/Promoters' Group is under pledge

**Includes 3,27,002 equity shares transferred to the Investor Education and Protection Fund (IEPF)

18. Equity Share Capital history

The Paid up Capital of the Company consists of 50,30,86,333 Equity shares of Rs. 10/- each fully paid up and allotted as under:

Date of Allotment	No. of Shares	Issue Price (Rs. per Share)
30.03.1985	2,742	10
27.06.1986	31,600	10
24.05.1987	16,000	10
13.12.1988	5,000	10
30.05.1990	6,08,558	10
20.04.1991	2,56,100	10
31.08.1992	32,20,000	10
13.01.1994	41,40,000	20
21.11.1997	4,54,54,545	22
05.09.1998	27,688	15
01.06.1999	5,500	10
18.04.2005	3,45,94,000	44.38
22.11.2005	2,10,50,056	33
20.02.2006	3,556	37
13.05.2006	880	39
19.02.2007	200	28
11.05.2007	400	29
08.11.2007	800	41
31.03.2008	72,00,000	100
05.03.2011	38,69,41,535*	-
Total	**50,35,59,160**	
Less: Shares forfeited on 14.03.2000	4,72,827	
Total Shares as on date	**50,30,86,333**	

*Equity Shares issued and allotted without consideration being received in cash pursuant to amalgamation of Quippo Infrastructure Equipment Limited (Quippo) into and with the Company sanctioned by the Hon'ble High Court at Calcutta vide its Order made on 18.01.2011 and effective w.e.f. 04.03.2011.

19. Credit Ratings

Agency	CARE	Brickwork
NCDs / Bonds	CARE A+	BWR AA+
Short term Debt Instruments	CARE A1+	BWR A1+
Unsecured Subordinated Tier-II Debentures / Bonds	CARE A	BWR AA+
Banking Facilities	CARE A+ (For Long Term Banking Facilities) CARE A1+ (For Short Term Banking Facilities)	-
Perpetual NCDs	-	BWR AA-

There has been no revision in any of the credit ratings assigned by the credit rating agencies during the Financial Year 2018-19.

20. Commodity Price risk, Foreign Exchange risk and Hedging activities

The Company does not deal in any commodity and hence is not exposed to any commodity price risk. Further, as an integral part of the overall risk management system, the Company addresses different forms of market risks, viz., liquidity risk, interest rate risk and foreign exchange risk. The Company has adopted a comprehensive approach for market risk that not only hedges against market risks, but also endeavours to maximise the risk-adjusted rate of return of the portfolio by keeping close track of macro-economic developments including changes and its impact on movement in interest rates, foreign exchange rates and liquidity position in the market.

Foreign exchange risk management becomes an imperative as the Company also borrows money in foreign currency while lending is in domestic currency. Therefore, in order to optimise the cost of funds and diversify the funding mix, effective hedging strategies are put in place in keeping with the Company's risk appetite; and limits pertaining to an open position are devised.

21. Measures adopted to protect the interests of the Shareholders

a. Share Transfer Processing

Requests for share transfers are registered and share certificates or receipts or advices, as applicable, of transfers are issued or any valid objection or intimation to the transferee or transferor, as the case may be, are issued within a time period of 15 (Fifteen) days from the date of receipt subject to the documents being valid and complete in all respects in accordance with the requirements of Regulation 40(3) of SEBI Listing Regulations, 2015. Further, with the aim of curbing fraud and manipulation in risk associated with physical transfers, SEBI on June 08, 2018, notified the SEBI (LODR) (Fourth Amendment) Regulations, 2018 stating that except in the case of transmission or transposition of securities, requests for the transfer of listed securities shall not be processed unless the securities are held in the dematerialized form with a depository w.e.f. December 05, 2018. The deadline was further extended by SEBI to April 01, 2019. Necessary intimations in this regard were sent to the concerned Shareholders by the Company.

The amendment does not prohibit the shareholders from holding the shares in physical form. Shareholder has the option of holding shares in physical form even after April 01, 2019. However, any shareholder who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized. In view of the above and the inherent benefits of holding shares in electronic form, the shareholders holding shares in physical form are advised to opt for dematerialization at the earliest.

The Stakeholders Relationship Committee meets at regular intervals. During the year 2018-19, the Stakeholders Relationship Committee met 4 (Four) times. Total number of shares physically transferred during the year 2018-19 was 5,744 Equity shares. There are no legal cases relating to transfer of shares.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance pertaining to share transfer formalities as required under Regulation 40(9) of SEBI Listing Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

b. Redressal of Grievances

Investor servicing is one of the key ingredient of good Corporate Governance practices to enhance stakeholders' confidence. Necessary system has been put in place in order to attend with promptness any grievances or queries by the Shareholders. Personal calls and proactive follow-ups have only enhanced stakeholders' confidence which has enabled retaining NIL investor grievances status month on month.

Various initiatives undertaken to closely monitor the grievances / correspondences of Equity shareholders are as follows:

- A designated e-mail ID 'investor.relations@srei.com' is available to address the Investor Grievances on a day to day basis;
- Weekly e-mails are sent to those shareholders whose e-mail IDs are registered with the Company/RTA, intimating brief highlights of the latest publicly available financial results;
- Shareholders' Referencer, a handbook for shareholders is available on the Company's website at https://www.srei.com/sites/default/files/shareholders-referencer.pdf. It serves as an easy guide for the investor's share and dividend related queries and inter-alia covers the shareholders' grievance redressal mechanism and their duties & responsibilities.

Further, with the issue of Non-Convertible Debentures (NCDs), serving Debenture holders / Bond holders has also become equally important. Daily tracker on NCD grievances mechanism is available to closely monitor the movements and ensure faster deliverables. Various initiatives undertaken by the Company to closely monitor the grievances / correspondences of the Bond Holders are as follows:

- A login based and password protected online portal i.e., Srei First Account has been developed for the bond holders to help them keep track on their investments in NCDs/ bonds online;
- A designated e-mail ID 'connect@sreibonds.com' is available to address the grievances of bond holders on a day to day basis;
- A toll free number +180 04197734 is readily available for the bond holders to address their grievances.

In addition to the above, a comprehensive Investor Grievance Redressal Policy has been formulated and put in place by the Company.

The investor complaints are processed in a centralised web-based complaints redress system called SEBI Complaints Redress System (SCORES). The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of actions taken on the complaint and its current status. The Company had obtained SCORES authentication in June, 2011, when the said concept was introduced by SEBI and the Company has maintained a track record of resolving the grievances of investors received on SCORES within the stipulated time period specified by SEBI.

The Securities and Exchange Board of India (SEBI) issued Circular No. CIR/OIAE/1/2014 dated December 18, 2014 on SCORES consolidating all the earlier Circulars issued relating to SCORES. The said Circular provides that failure by listed companies and SEBI registered intermediaries to file Action Taken Report under SCORES within 30 (Thirty) days of date of receipt of the grievance shall not only be treated as failure to furnish information to SEBI but shall also be deemed to constitute non-redressal of investor grievance. Further, SEBI vide its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2018/58 dated March 26, 2018 has permitted investors to directly approach listed companies / registered intermediary for redressal of their complaints via SCORES Platform w.e.f. August 01, 2018. The entity is required to redress the grievance within 30 (thirty) days, failing which the complaint shall be registered in SCORES.

There are no pending investor grievances lying unresolved as per the data available on SCORES as on March 31, 2019.

c. Prevention of Fraudulent Transfers

A locking provision is in existence whereby, whenever any intimation is received from the shareholders regarding loss of shares or of any legal dispute, the shares are immediately kept locked so that fraudulent transfer is stalled.

d. Dematerialisation of Shares and Liquidity

Based on a SEBI directive, the Equity shares of the Company are permitted to be traded only in dematerialised form and are available for demat under both the Depositories in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2019, a total of 50,03,06,056 Equity shares of the Company representing 99.45% of the total Equity Share Capital were held in dematerialised form. The entire Promoters' Group shareholding of the Company is in dematerialised form.

The bifurcation of shares held in Physical and Demat form as on March 31, 2019 is given below –

Physical / Electronic	No. of Holders*	No. of Shares	%
Physical	3,088	27,80,277	0.55
NSDL	40,966	16,38,34,863	32.57
CDSL	30,916	33,64,71,193	66.88
Total	**74,970**	**50,30,86,333**	**100.00**

*based on no. of folios

For any assistance in converting physical shares in electronic form, investors may approach Karvy Fintech Private Limited or the Company Secretary of the Company.

The Equity shares of the Company are actively traded on the Stock Exchanges.

e. Depositories

National Securities Depository Limited	Central Depository Services (India) Limited
Trade World, A Wing, 4th & 5th Floor Kamala Mills Compound Senapati Bapat Marg Lower Parel Mumbai - 400 013 Telephone No : 91-22-2499 4200 Facsimile Nos. : 91-22-2497/ 2993 / 6351 E-mail : info@nsdl.co.in Website : www.nsdl.co.in	25th Floor, Marathon Futurex, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 Telephone No : 91-22-2302 3333 Facsimile Nos. : 91-22-2272 3199 / 2072 E-mail : investors@cdslindia.com Website : www.cdslindia.com

f. Registrar and Share Transfer Agents (RTA)

The share transfer and shareholder related activities of the Company are attended and processed by the Registrar and Share Transfer Agents (RTA) of the Company. It is the responsibility of the RTA, inter alia, to register share transfers, coordinate with the depositories and to look after the redressal of shareholders' and Investors' complaints. The complaints / queries received from Investors relating to transfer of shares, non-receipt of annual reports, dividends, share certificates etc. and also the complaints / queries received through SEBI, MCA and the Stock Exchanges are being attended to by the RTA on priority basis.

Karvy Fintech Private Limited (Karvy), Karvy Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mondal, Hyderabad – 500 032, India, is the Registrar and Share Transfer Agents (RTA) of the Company for Equity Shares.

Karvy also acts as the Registrar to Various Public Issues of Non-Convertible Debt securities (NCD's) issued by the Company from time to time.

g. Fund Raising

During the year, the Company issued unsecured perpetual Non-Convertible Debentures (NCDs) amounting to 320 Crores on private placement basis in various tranches. The issue proceeds raised through private placement of NCDs have been utilized for the purpose of refinancing existing debt or for disbursement and for general business purpose.

Karvy Fintech Private Limited (Karvy) is the Registrar to the aforesaid NCDs issued by the Company on private placement basis.

h. Investor Relations

Global macro and business environment has been very dynamic in the past year with implications on Company's business and financial performance. In this context, the Company recognises the imperatives to maintain continuous dialogue with the investor community. This is done with the objective to abreast the Investors of all the significant developments that may likely impact the Company's performance. This translates into feeding timely, accurate and relevant information that helps investors in taking informed investment decisions.

The Company focuses to build Investor Relations on pillars of trust and transparency. The Company's proactive approach has enabled global investor community to better understand the management objectives, corporate strategies and overall performance of the Company over a period of time.

To deliver an effective communication, the Investor Relations Department of the Company effectively deploys tools like Annual Report, Quarterly Earnings, Investor Release, Conference Calls, one on one Investor Meets, General Meetings and Internet (Company website) to serve as a link to stay connected with the Investors. In order to enable the Company to serve better, the Members are requested to update their database with the Company by filling in and returning to the Company the Shareholders Information Form available on the Company's website at https://www.srei.com/sites/default/files/Shareholder_Information_Form.pdf or by e-mailing the information at investor.relations@srei.com.

i. Investor Feedbacks	It is the constant endeavour of the Company to improve the standard of its Investor services. The Company has stipulated internal timeframes for responding to Investors' correspondence and adherence thereof is monitored by the Stakeholders Relationship Committee. In pursuit of excellence in Corporate Governance and to constantly improve standards of service, communication and disclosures, the Company conducted a preliminary survey during the year to assess the requirement and satisfaction of valuable Investors on following broad parameters: 1. Timely receipt of Annual Reports, Dividend and other documents / correspondence. 2. Quality and contents of Annual Report. 3. Dissemination of information about the Company through shareholder communication, Annual Reports, Newspapers / Press, Company's website, e-mails, earnings conference call transcripts. 4. Response time and satisfaction level experienced in transfer / transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, revalidation of dividend warrants, exchange with new share certificates, registration of nomination etc. 5. Interaction with Company officials. 6. Interaction with Registrar and Share Transfer Agents. 7. Investor services section of the Company's website. 8. Annual General Meeting w.r.t. overall arrangements, attendance facilities, voting on i-pads, Chairman's communication. 9. Overall rating of Company's Investor services. The Investors have expressed their satisfaction on the quality of services rendered by the Company. The Company is constantly in the process of enhancing the service levels based on feedbacks received from the Investors.
22. Address for Shareholders' correspondence	The Company Secretary Srei Infrastructure Finance Limited 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Email : secretarial@srei.com, investor.relations@srei.com
23. Transfers to the Investor Education and Protection Fund (IEPF)	a. Unpaid Dividend on Equity shares Pursuant to Section 124(5) of the Companies Act, 2013, dividends that are unpaid / unclaimed for a period of 7 (Seven) years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. During the year under review, the Company has credited a sum of Rs. 6,31,629 to the Investor Education and Protection Fund pursuant to Section 124(5) of the Companies Act, 2013, being the dividend amount pertaining to the financial year ended on March 31, 2011, which was due & payable and remained unclaimed and unpaid for a period of 7 (Seven) years. Cumulatively, the aggregate dividend amount transferred to the said Fund upto March 31, 2019 stands at Rs. 64,27,322.69. The dates of declaration of dividend and corresponding dates when unpaid / unclaimed dividends are due for transfer to IEPF are as follows:

Financial Year	Date of Declaration of Dividend	Due Date of Transfer to IEPF
2011 – 12	August 10, 2012	September 15, 2019
2012 – 13	August 14, 2013	September 19, 2020
2013 – 14	August 02, 2014	September 07, 2021
2014 – 15	August 01, 2015	September 06, 2022
2015 – 16	August 06, 2016	September 11, 2023
2016 – 17	July 22, 2017	August 27, 2024
2017 – 18	July 21, 2018	August 20, 2025
2018 – 19	March 08, 2019*	April 11, 2026

*Interim Dividend

The shareholders are regularly advised to claim the un-encashed dividends lying in the unpaid dividend accounts of the Company before the due dates for crediting the same to the Investor Education and Protection Fund. Further, the details of dividend unclaimed by the Members for the past years which have not yet been transferred to the Central Government are readily available for view by the Members on the website of the Company www.srei.com. Further, the Members are advised to glance through the database and lodge their claim with the Company's Registrar and Share Transfer Agents for dividend which have remained unclaimed.

b. Unpaid Deposits and Interests thereon

During the year under review, the Company transferred a sum of Rs. 33,302 (Rupees Thirty Three Thousand Three Hundred and Two only) to IEPF, being the unpaid amount of unpaid deposits and interests thereon, as provided in Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

c. Equity shares in respect of which dividend has not been paid / claimed for 7 (seven) consecutive years or more

During the year under review, the Company transferred 1,75,395 Equity shares to IEPF in accordance with the provisions of Section 124(6) and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 after sending letters to shareholders holding those shares and also making an advertisement in the newspapers in this regard. Details of the shares transferred to IEPF are available on the Company's website under the link https://www.srei.com/sites/default/files/details-of-shares-transferred-to-iepf.pdf.

Total number of Equity shares lying in IEPF account as on March 31, 2019 aggregates to 3,27,002 shares.

The Company will issue letters to those shareholders whose shares are eligible to be transferred to IEPF during the financial year 2019-20 by giving them at least 3 (three) months' notice and also informing them through an appropriate advertisement in the newspapers.

Further, pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the voting rights on shares transferred to the IEPF shall remain frozen until the rightful owner claims the shares. However, for the purpose of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the shares which have been transferred to the Authority shall not be excluded while calculating the total voting rights.

The shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed back by the Shareholders from the IEPF Authority after following the procedure prescribed under the Rules. Guidelines for Shareholders to file claim in respect of the unclaimed dividend and / or shares transferred to IEPF is available on the Company's website under the weblink https://www.srei.com/investor/srei-shareholders/transfer-of-shares-to-iepf.

	d. Dividend on Equity shares which have been transferred to IEPF Rule 6(12) of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 provides that any further dividend received on shares transferred to IEPF shall be credited to the Fund and a separate ledger account shall be maintained for such proceeds. During the year under review, the Company declared a dividend of Re. 0.50 per Equity share (5 per cent) for the financial year 2017-18 to the Members of the Company, as approved by the shareholders at the Annual General Meeting (AGM) of the Company held on July 21, 2018. The Company further declared an interim dividend of Re. 0.50 per Equity share (5 per cent) for the financial year 2018-19 to the Members. In compliance with the aforesaid rule, the Company transferred dividend of Rs. 2,39,304.50 (Rupees Two Lacs Thirty Nine Thousand Three Hundred and Four and Fifty Paisa only) on the equity shares which were lying in IEPF Demat Account as on the record date for payment of such dividends, to IEPF.
24. Nomination	Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents or can be downloaded from the Company's website at https://www.srei.com/investor/srei-shareholders/shareholders-information/feedback-forms. Nomination facility in respect of shares held in electronic form is available with the Depository Participants as per bye-laws and business rules applicable to NSDL and CDSL.
25. Payment of Dividend etc. in electronic mode	Pursuant to Regulation 12 of SEBI Listing Regulations, 2015, listed entity shall use any of the electronic modes of payment facility approved by the Reserve Bank of India (RBI) in the manner specified in Schedule I of SEBI Listing Regulations, 2015, for making payments of dividend, interest, redemption or repayment amounts etc. However, where it is not possible to use electronic mode of payment, 'payable at-par' warrants or cheques may be issued. Further, where the amounts payable as dividend exceeds R. 1,500 (Rupees One Thousand and Five Hundred only), the 'payable at-par' warrants or cheques shall be sent by speed post. The Company is using various RBI approved electronic mode of payment for making payments such as dividend, etc. to the investors, failing which the bank details available with the depository participants and the Company's Registrar and Share Transfer Agents (RTA) are printed on the physical payment instruments. Payment of dividend and other benefits through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants and other instruments such as loss in transit/misplacement/revalidation etc. can be easily mitigated. Members who wish to avail of the electronic facility of remittance, may update their bank details with the depository participants for shares held in demat form and Members holding securities of the Company in physical form are requested to update their bank details with the Company or its RTA by sending a duly filled and signed National Automated Clearing House (NACH) Mandate Form available on the website of the Company www.srei.com. The Company is using NACH mandate for remittance of dividend either through NACH or other electronic modes failing which the bank details available with the depository participants and the Company's RTA are printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time. Members who wish to receive dividend in a bank account other than the one registered with the depository participants for shares held in demat form and with the Company's RTA for shares held in physical form, may notify their depository participants and the Company or its RTA, respectively, about any change in the bank account details.

	Further, pursuant to Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy was adopted by the Company covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc. The Company's Dividend Distribution Policy is available on the Company's website at https://www.srei.com/investor/corporate-policies/pdf/dividend-distribution-policy.pdf.
26. Reconciliation of Share Capital Audit	As stipulated by SEBI, a qualified practicing Company Secretary carries out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the Report thereon is submitted to the concerned Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.
27. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)	The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on Board Meetings and General Meetings. Further, pursuant to Section 118(10) of the Companies Act, 2013, every company shall observe secretarial standards specified by ICSI with respect to Board and General Meetings. The Company confirms that it has duly adhered to the said Secretarial Standards.
28. Secretarial Audit	The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the Securities Contracts (Regulation) Act, 1956 and Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, SEBI (Delisting of Equity Shares) Regulations, 2009 and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI). The Secretarial Audit Report for the financial year ended March 31, 2019 is provided in the Annual Report.
29. Compliance Officer	Mr. Sandeep Lakhotia Company Secretary FCS 7671 'Vishwakarma', 86C, Topsia Road (South) Kolkata – 700 046 Tel : 91-33-6160 7734 Fax : 91-33-2285 7542 / 8501 Email : secretarial@srei.com, investor.relations@srei.com

30. Role of Company Secretary in overall governance process	The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He assists and advises the Board in ensuring good corporate governance as well as in complying with the corporate governance requirements. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and in accordance under Section 205 of the Companies Act, 2013 reports to the Board regarding compliance with the provisions of the Companies Act, 2013, the rules made thereunder and other laws applicable to the Company. He is also the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.
31. Certification regarding non-disqualification or non-debarment of Directors	The Company has obtained a certificate from Mr. Mohan Ram Goenka (Membership No. FCS 4515, Certificate of Practise No. 2551) certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI) /Ministry of Corporate Affairs (MCA) or any such statutory authority. A copy of the said certificate is set out as an annexure to the Corporate Governance Report and forms part of this Annual Report.
32. Web links to Company policies and programmes	Policy on determining Material Subsidiaries - https://www.srei.com/investor/corporate-policies/pdf/Policy_on_determining_Material_Subsidiaries.pdf Related Party Transactions (RPT) Policy- https://www.srei.com/investor/corporate-policies/pdf/Related_Party_Transactions_Policy.pdf Familiarisation Programme for Independent Directors - https://www.srei.com/investor/corporate-policies/pdf/Familiarisation_Programme_for_Independent_Directors.pdf Whistle Blower Policy - https://www.srei.com/investor/corporate-policies/pdf/Whistle_Blower_Policy.pdf ESMS Policy - https://www.srei.com/investor/corporate-policies/pdf/esms-policy-manual-srei.pdf Policy on Prevention of Sexual Harassment - https://www.srei.com/investor/corporate-policies/pdf/policy-on-prevention-of-sexual-harassment.pdf Corporate Social Responsibility (CSR) Policy - https://www.srei.com/investor/corporate-policies/pdf/corporate-social-responsibility-policy.pdf Nomination and Remuneration Policy - https://www.srei.com/investor/corporate-policies/pdf/Srei_Nomination_and_Remuneration_Policy.pdf Policy on Board Diversity - https://www.srei.com/investor/corporate-policies/pdf/policy-on-board-diversity.pdf Srei Fair Practices Code - https://www.srei.com/investor/corporate-policies/pdf/Srei_Fair_Practices_Code.pdf Srei Code of Conduct for Board of Directors and Senior Executives - https://www.srei.com/investor/corporate-policies/pdf/srei-code-of-conduct-for-board-of-directors-and-senior-executives.pdf

	Code of Practices and Procedures for Fair Disclosure (Srei Fair Disclosure Code) of Unpublished Price Sensitive Information (UPSI)- https://www.srei.com/investor/corporate-policies/pdf/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI_.pdf Srei Investor Grievance Redressal Policy - https://www.srei.com/investor/corporate-policies/pdf/Srei_Investor_Grievance_Redressal_Policy.pdf Srei Corporate Governance Framework - https://www.srei.com/investor/corporate-policies/pdf/Corporate_Governance_Framework.pdf Policy for determination of Materiality of any Event/Information - https://www.srei.com/investor/corporate-policies/pdf/Policy_for_determination_of_Materiality_of_any_Event_or_Information.pdf Archival Policy - https://www.srei.com/investor/corporate-policies/pdf/archival-policy.pdf Dividend Distribution Policy – https://www.srei.com/investor/corporate-policies/pdf/dividend-distribution-policy.pdf Public Policy and Advocacy https://www.srei.com/investor/corporate-policies/pdf/public-policy-and-advocacy.pdf
33. Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations, 2015	Pursuant to Schedule V of SEBI Listing Regulations, 2015, the Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) inter-alia covering the following subject matter / heads, as may be applicable: i) Board of Directors ii) Audit Committee iii) Nomination and Remuneration Committee iv) Stakeholders Relationship Committee v) Risk Management Committee – Not Applicable vi) Vigil Mechanism vii) Related Party Transactions viii) Corporate governance requirements with respect to subsidiary of Company ix) Secretarial Audit x) Obligations with respect to Independent Directors xi) Obligations with respect to employees including senior management, key managerial persons, directors and promoters xii) Other Corporate governance requirements as stipulated under the Regulations xiii) Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Srei Infrastructure Finance Limited
86C, Vishwakarma,
Topsia Road (South),
Kolkata - 700 046

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Srei Infrastructure Finance limited having CIN L29219WB1985PLC055352 and having registered office at Vishwakarma, 86C, Topsia Road (South), Kolkata-700046 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	**Name of the Directors**	DIN	Date of Appointment in Company
1.	Mr. Hemant Kanoria	00193015	30/10/1990
2.	Mr. Sunil Kanoria	00421564	05/07/1989
3.	Mr. Srinivasachari Rajagopal	00022609	25/01/2003
4.	Mr. Shyamalendu Chatterjee	00048249	29/04/2009
5.	Dr. Punita Kumar Sinha	05229262	20/05/2013
6.	Mr. Ram Krishna Agarwal	00416964	12/05/2016
7.	Mr. Malay Mukherjee	02272425	26/10/2017
8.	Mr. Balaji Viswanathan Swaminathan	01794148	05/09/2018
9.	Dr. Tamali Sengupta	00358658	04/02/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 20.05.2019
Place: Kolkata

For **M R & Associates**
Company Secretaries

Sd/-
[M R Goenka]
Partner
FCS No. :4515
C P No. :2551

DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. PREAMBLE

The Securities Exchange Board of India (SEBI) vide Notification dated 8th July, 2016 amended the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (by inserting Regulation 43A, which mandates top 500 Listed Companies, based on market capitalization (calculated as on March 31 of every financial year)) ("Listing Regulations") to formulate a Dividend Distribution Policy, which shall be disclosed in their Annual Reports and on their websites.

2. OBJECTIVE

In Compliance with Regulation 43A of the Listing Regulations, the Board of Directors ("the Board") of Srei Infrastructure Finance Limited ("the Company") endeavors to have a consistent dividend policy that balances the dual objectives of appropriately rewarding the shareholders of the Company through dividends and retaining capital, in order to support future growth.

The Philosophy of the Company is to maximize the Shareholders' wealth in the Company through various means.

3. DEFINITIONS

3.1 **"Act"** shall mean the Companies Act, 2013 and Rules made thereunder, including any modification(s) or amendment(s) thereof.

3.2 **"The Company" or "Srei"** shall mean Srei Infrastructure Finance Limited.

3.3 **"Board" or "Board of Directors"** shall mean Board of Directors of the Company.

3.4 **"Dividend"** shall mean Dividend as defined under Companies Act, 2013.

3.5 **"Policy or this Policy"** shall mean the Dividend Distribution Policy.

3.6 **"Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars etc. issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

3.7 Words and expressions used and not defined in this Policy but defined in Companies Act, 2013 or rules made thereunder or Securities and Exchange Board of India Act, 1992 or regulations made thereunder or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

4. PARAMETERS FOR DECLARATION OF DIVIDEND

The Board of Directors of the Company shall, inter alia, consider the following parameters for recommendation / declaration of Dividend:

4.1 External Factors

The Board of Directors of the Company would, inter alia, consider the following external factors before declaring or recommending dividend to Shareholders:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Companies Act, 2013, the Companies (Declaration and Payment of Dividend) Rules, 2014, Reserve Bank of India (RBI) prudential norms and regulations, including but not limited to Capital Adequacy requirements and tax laws, if any;
- Mandatory transfer of certain portion of profits to specific reserves such as Debenture Redemption Reserve, RBI Special Reserve or any other Special Reserve etc.
- Economic environment in which the Company operates;
- Prevailing state of the capital markets.

4.2 Financial Parameters / Internal Factors

The Board of Directors of the Company would, inter alia, consider the following financial parameters before declaring or recommending dividend to shareholders:

- Stability of earnings;
- Plough back of profits for future capital expenditure programme and growth plans;
- Likelihood of crystallization of contingent liabilities, if any;
- Fund requirement for unforeseen events and contingencies;
- Restriction(s) and Covenant(s) contained in the Agreements with Lending Institutions / Debenture Trustees;
- Cash Flow to meet business expenditures;
- Outstanding borrowings;
- Past Dividend trends including Dividend Payout Ratio;
- Resources required to fund acquisitions and/or new businesses;
- Any other strategic priorities / initiatives.

4.3 Circumstances under which the shareholders may or may not expect Dividend

The Board shall consider the factors mentioned herein above before determination of any dividend payout, and after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. While the dividend payout shall be based majorly on the aforesaid factors, the interest of the shareholders shall be considered.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report.

5. UTILIZATION OF RETAINED EARNINGS

Any approved Dividend shall be paid out of the profits of the Company for that year or out of the profits of the Company for any previous year or years arrived at after providing for depreciation for the year and previous years as per the law or out of both or out of any other funds as may be permitted by law, after having due regard to the parameters laid down in this Policy.

6. PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

6.1 Presently, the Authorised Share Capital of the Company is divided into 1,00,00,00,000 equity shares of Rs. 10/- each and 5,00,00,000 Preference shares of Rs. 100/- each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

6.2 The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

6.3 As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

7. PROCEDURE

7.1 The Chief Financial Officer (CFO) in consultation with the Chairman and Managing Director (CMD) of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.

7.2 Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.

7.3 The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividends declared by the Company.

7.4 The Company shall make appropriate disclosures as required under the SEBI Regulations.

8. DISCLOSURE

The Company shall disclose the Policy on the Company's website and a web link thereto shall be provided in the Annual Report.

9. REVIEW

This Policy has been approved by the Board of Directors of the Company. The Board, however, may review this Policy as and when it deems appropriate. This Policy is being formulated keeping in mind the applicable laws, rules, regulations and standards in India. If there is an amendment in such laws, rules, regulations and standards, allowing or relaxing what was previously not allowed under any laws, rule, regulation and standards, then this Policy shall be deemed to have been amended to the extent of such amendment. Also, if due to subsequent amendment in the laws, this Policy or any part hereof becomes inconsistent with the law, the provisions of law shall prevail and this Policy shall be deemed to be amended to that extent.

Date: 05.11.2016
Place: KOLKATA

This Policy has been reviewed and approved by the Board of Directors at its meeting held on 05.11.2016 and will become applicable from the Financial Year ending 31st March, 2017 onwards.

SREI CORPORATE CODES & POLICIES

The Summary of Key Codes & Policies that have been adopted are as follows:-

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2018-19
1.	Policy on determining Material Subsidiaries	The policy is used to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries. The policy was revised and adopted on 4th February, 2019.	https://www.srei.com/investor/corporate-policies/pdf/Policy_on_determining_Material_Subsidiaries.pdf	Changes made to incorporate the amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Key changes include, inter alia, the definition of material subsidiary
2.	Related Party Transactions (RPTs) Policy	The policy provides a framework to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations. The policy was revised and adopted on 4th February, 2019.	https://www.srei.com/investor/corporate-policies/pdf/Related_Party_Transactions_Policy.pdf	Changes made – ■ to incorporate the amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ■ to incorporate the amendments in Companies Act, 2013 ■ For better clarity and transparency Key changes include, inter alia, incorporating threshold limits for determining materiality
3.	Whistle Blower Policy	The policy provides mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. The policy was revised and adopted on 4th February, 2019.	https://www.srei.com/investor/corporate-policies/pdf/Whistle_Blower_Policy.pdf	Changes made to incorporate mechanism for better grievance redressal and easy access to the Chairman of the Audit Committee and Whistle Blower Committee
4.	Environmental and Social Management System (ESMS) Policy	This policy provides a framework to facilitate the implementation of appropriate Environmental and Social Management System (ESMS) in the Company with the prime objective of reducing Environmental and Social impacts of its portfolio.	https://www.srei.com/investor/corporate-policies/pdf/esms-policy-manual-srei.pdf	There has been no change to the Policy during the year
5.	Policy on Prevention of Sexual Harassment	The policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at their workplace and what conduct constitutes sexual harassment.	https://www.srei.com/investor/corporate-policies/pdf/policy-on-prevention-of-sexual-harassment.pdf	There has been no change to the Policy during the year
6.	Corporate Social Responsibility (CSR) Policy	The policy outlines the Company's strategy to taking Corporate Social Responsibility (CSR) as a sustainable social initiative with the aim to align and integrate its resources with society's developmental needs towards creating a better tomorrow.	https://www.srei.com/investor/corporate-policies/pdf/corporate-social-responsibility-policy.pdf	There has been no change to the Policy during the year
7.	Srei Nomination & Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel (KMPs) and other employees. The policy was revised and adopted on 4th February, 2019.	https://www.srei.com/investor/corporate-policies/pdf/Srei_Nomination_and_Remuneration_Policy.pdf	Changes made – ■ to incorporate the amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ■ to incorporate the amendments in Companies Act, 2013 ■ For better clarity and transparency Key changes include change in terms of reference of the Nomination and Remuneration Committee

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2018-19
8.	Policy on Board Diversity	The policy sets out the approach to diversity on the Board of Directors of the Company and recognises and embraces the benefits of having a diverse Board appropriate to the requirements of the Company.	https://www.srei.com/investor/corporate-policies/pdf/policy-on-board-diversity.pdf	There has been no change to the Policy during the year
9.	Srei Fair Practices Code	The code provides the framework for dealings with the Customers and lays down mechanisms for redressal of Customer grievances. The code was revised and adopted on 1st February, 2019.		Changes made to bring more clarity and ensure operational convenience
10.	Srei Code of Conduct for Board of Directors and Senior Executives	The code provides the framework for promoting ethical conduct in the Company.	https://www.srei.com/investor/corporate-policies/pdf/srei-code-of-conduct-for-board-of-directors-and-senior-executives.pdf	There has been no change to the Policy during the year
11.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Srei Fair Disclosure Code)	The code provides the framework for following the best practices, duly compliant with applicable law, in the matter of disclosure of Unpublished Price Sensitive Information (UPSI). The code was revised and adopted on 4th February, 2019.	https://www.srei.com/investor/corporate-policies/pdf/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI_.pdf	Changes made to bring more clarity and for operational convenience. Key changes include, inter alia, incorporating the meaning of the term 'Legitimate Purposes' in connection with sharing of UPSI
12.	Investor Grievance Redressal Policy	The policy provides mechanism for investor servicing and grievance handling. The policy was revised and adopted on 4th February, 2019.	https://www.srei.com/investor/corporate-policies/pdf/Srei_Investor_Grievance_Redressal_Policy.pdf	Changes made to – ■ update changes in factual data ■ to bring more clarity
13.	Corporate Governance Framework	The policy provides the framework for Corporate Governance so that executives act in accordance with the highest standards of governance while working for and on behalf of the Company. The policy was revised and adopted on 4th February, 2019.	https://www.srei.com/investor/corporate-policies/pdf/Corporate_Governance_Framework.pdf	Changes made – ■ to incorporate the amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ■ for better governance and disclosure Key changes include, inter alia, provisions relating to Quorum of Board meeting, NRC meeting, Terms of reference of Risk Committee
14.	Group Governance Policy	This policy lays down the governance and monitoring levels of the Company's subsidiaries and other constituents falling within Group Entities. The Company adopted the Group Governance Policy on 4th February, 2019.	-	This policy has been formulated during the year
15.	Policy for Determination of Materiality of any event / information	This policy is aimed at providing clear guidelines for determination of material events or information which need to be disclosed to the Stock Exchanges. The policy was revised and adopted on 4th February, 2019.	https://www.srei.com/investor/corporate-policies/pdf/Policy_for_determination_of_Materiality_of_any_Event_or_Information.pdf	Changes made to incorporate the amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Key changes include, inter alia, incorporating additional events/ information which shall be deemed to be material and shall be disclosed to the Stock Exchanges

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2018-19
16.	Dividend Distribution Policy	The policy sets out the parameters and circumstances that will be taken into account by the Board of Directors in determining the distribution of dividend to its shareholders and/ or retaining profits earned by the Company.	https://www.srei.com/investor/corporate-policies/pdf/dividend-distribution-policy.pdf	There has been no change to the Policy during the year
17.	Code of Conduct for Prohibition of Insider Trading (Srei Insider Code)	The code provides the framework for dealing with securities of the Company in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The code was revised and adopted on 4th February, 2019.	-	Changes made to incorporate the amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015. Key changes include, inter alia, change in definition of Designated Persons, Maintenance of Digital Database, Internal Controls, Trading Window Closure, Responsibilities of Designated Persons, Additional Disclosures
18.	Business Responsibility Policy	The policy is based on principles enunciated in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of a Business released by the Ministry of Corporate Affairs, towards conducting business by a company. The policy was last revised and adopted on 4th February, 2019.	-	Changes made to incorporate revised constitution of the BR Committee
19.	Policy for Preservation of Documents	This policy provides the procedure and manner for preservation and destruction of documents which are required to be prepared or maintained under applicable regulations.	-	There has been no change to the Policy during the year
20.	Archival Policy	The policy provides the framework for the retention and archival of corporate records of the Company.	https://www.srei.com/investor/corporate-policies/pdf/archival-policy.pdf	There has been no change to the Policy during the year

INDEPENDENT AUDITOR'S REPORT

To the Members of Srei Infrastructure Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Srei Infrastructure Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2019, its total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Transition to Ind AS

The Company has adopted Ind AS notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of such transition is April 01, 2017. Ind AS are new and complex accounting standards which require considerable judgment and interpretation in their implementation. Further, Ind AS 101 ("First-time Adoption of Indian Accounting Standards") allows two categories of exceptions to the first-time adopters, which mainly includes prohibition to retrospective application of certain requirements of Ind AS and exemption from some requirements of Ind AS. We consider this transition and the required disclosures to be a key audit matter because new accounting policies have been adopted by the Company to comply with these standards. Note No. 1(b) "Significant Accounting Policies", Note No. 32 "First time Adoption" and Note No. 35 " Financial Instruments and Related Disclosures" to the Standalone Financial Statements provide detailed information on the significant policies, critical judgment and estimation along with details of exemptions applied from certain requirements under Ind AS, based on which these Standalone Financial Statements are prepared.

Principal Audit Procedures:

We have performed the following audit procedures in order to obtain sufficient audit evidence:

- Assessed the Company's process to identify the impact of adoption and transition to the new accounting standards.
- Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of the Standalone Financial Statements;
- Reviewed the exemptions availed by the Company from certain requirements under Ind AS;
- Obtained an understanding of the determination of key judgments;
- Evaluated and tested the key assumptions and judgments adopted by management;
- Assessed the disclosures made against the relevant Ind AS; and
- Determined the appropriateness of the methodologies and models used along with the reasonability of the outputs.

2. Impairment loss allowance of loans and advances

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a key audit matter as the Company has significant credit risk exposure. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions and write-offs against these loans. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the three-stage impairment model ("ECL Model"), including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact the accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

Principal Audit Procedures:

We started our audit procedures with the understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.

We also assessed whether the impairment methodology used by the Company is in line with the requirements of Ind AS 109, "Financial instruments". More particularly, we assessed the approach of the Company regarding the definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.

For loans and advances which are assessed for impairment on a portfolio basis, we performed particularly the following procedures:

- tested the reliability of key data inputs and related management controls;
- checked the stage classification as at the balance sheet date as per definition of default;
- validated the ECL model and calculation by involving our Information Technology Expert;
- calculated the ECL provision manually for a selected sample; and
- assessed the assumptions made by the Company in making accelerated provision, considering forward looking information and based on the status of a particular industry as on the reporting date.

For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.

3. Valuation of unquoted financial assets held at fair value

The valuation of the Company's unquoted financial assets held at fair value is a key audit matter due to the significance of the amount and complexity involved in the valuation process.

Management makes significant judgements because of the complexity of the techniques and assumptions used in valuing some of the level 3 investment securities given the limited external evidence and unobservable market data available to support the Company's valuations.

The valuation of the level 3 investment securities are dependent on market conditions and key assumptions made. The determination of these assumptions is complex and requires the exercise of management judgement.

Principal Audit Procedures:

- assessed the valuation methodologies including evaluation of independent external valuers' competence, capability and objectivity.
- assessed the reasonableness of key assumptions based on our knowledge of the business and industry.
- checked, on a sample basis, the accuracy and relevance of the input data used.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Report on Corporate Governance (but does not include the standalone financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Directors' Report including Annexures to Directors' Report, which are expected to be made available to us after that date.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the relevant rules issued thereunder and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act read with the relevant rules issued thereunder;

e. On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note Nos. 9 and 31 to the Standalone Financial Statements;

(ii) The Company did not have any material foreseeable losses in long term contracts including derivative contracts during the year ended March 31, 2019;

(iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

(3) As required by Section 197(16) of the Act, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

For Haribhakti & Co. LLP

Chartered Accountants
Firm Registration Number: 103523W/W100048

Manoj Daga

Partner
Membership Number: 048523
Place: Kolkata
Date: May 25, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended March 31, 2019]

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. Pursuant to the programme, certain fixed assets were physically verified by the Company's Management ("management") during the year. As informed and explained to us by the management, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company, except as detailed herein below :-

Land/ Buildings	Total number of cases	Leasehold/ Freehold	Gross Block as at March 31, 2019 (₹ In Lacs)	Net Block as at March 31, 2019 (₹ In Lacs)	Remarks
Buildings	2	Freehold	8,792.72	8,425.95	Conveyance is pending

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

(iv) According to the information and explanations given to us in respect of loans, investments, guarantees and security, the Company has complied with the provisions of Sections 185 and 186 of the Act, wherever applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the acceptance of deposits. Further, as informed, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

(vi) Being a Non-Banking Financial Company, the provisions of clause 3(vi) of the Order with regard to the maintenance of cost records are not applicable to the Company.

(vii) (a) According to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues as at March 31, 2019 of income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and services tax, which have not been deposited on account of any dispute, are as follows

Name of the Statute	Nature of dues	Amount (₹ In Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act,1961	Income Tax	471	2005-06 and 2006-07	Supreme Court of India
Income Tax Act,1961	Income Tax	125	2006-07 and 2007-08	CIT(Appeals), Kolkata
Income Tax Act,1961	Income Tax	492	2007-08	Appeal in the process of being filed before Calcutta High Court
Income Tax Act,1961	Income Tax	1,809	2008-09	Supreme Court of India
Income Tax Act,1961	Income Tax	211	2010-11	Income Tax Appellate Tribunal, Kolkata
Income Tax Act,1961	Income Tax	1,938	2011-12	CIT(Appeals), Kolkata
Income Tax Act,1961	Income Tax	1,283	2013-14	CIT(Appeals), Kolkata
Income Tax Act,1961	Income Tax	1,427	2014-15	CIT(Appeals), Kolkata
Income Tax Act,1961	Income Tax on Fringe benefits	226	2005-06 to 2008-09	Calcutta High Court
Finance Act,1994	Service Tax	302	2006-07 to 2010-11	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Kolkata
Finance Act,1994	Service Tax	80	2011-12 to 2014-15	CGST & C.Ex. Commissioner Appeal-1, Commissionerate of Kolkata
Finance Act,1994	Service Tax	4,263	2015-16	CGST & C.Ex. Commissioner, North Commissionerate of Kolkata
Central Sales Tax Act, 1956	Central Sales Tax	211	2010-11	West Bengal Sales Tax Appellate and Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	47	2013-14	West Bengal Sales Tax Appellate and Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	18	2016-17	1st Appellate Authority, West Bengal Commercial Taxes

(viii) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that during the year the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were prima facie applied during the year for the purposes for which those were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company.

(xiii) According to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) As per the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them.

(xvi) (The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga

Partner
Membership No. 048523
Place: Kolkata
Date: May 25, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (2)f under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the standalone financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of the Company as March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls, based on the internal control with reference to financial statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga

Partner
Membership No. 048523
Place: Kolkata
Date: May 25, 2019

SREI

Balance Sheet as at 31st March, 2019

(₹. in Lacs)

	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and Cash Equivalents	2	9,100	31,154	27,712
(b)	Bank Balance other than (a) above	3	11,524	34,742	29,014
(c)	Derivative Financial Instruments	4	2,526	4,069	4,392
(d)	Receivables				
	(I) Trade Receivables	5.1	16,957	2,205	1,519
	(II) Other Receivables	5.2	-	-	8,913
(e)	Loans	6	9,38,994	10,79,837	10,62,525
(f)	Investments	7	4,18,208	4,08,804	4,46,916
(g)	Other Financial Assets	8	33,945	38,357	41,479
(2)	**Non-Financial Assets**				
(a)	Current Tax Assets (Net)	10	13,749	13,034	16,029
(b)	Deferred Tax Assets (Net)	11	1,731	672	-
(c)	Property, Plant and Equipment	12	49,900	60,674	63,415
(d)	Capital Work-in-Progress		489	537	1,052
(e)	Other Intangible Assets	13	34	101	166
(f)	Other Non-Financial Assets	9	59,933	139,259	53,633
	TOTAL ASSETS		**15,57,090**	**18,13,445**	**17,56,765**
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Derivative Financial Instruments	4	423	815	1,793
(b)	Payables				
	(I) Trade Payables				
	(i) Total outstanding dues of micro enterprises and small enterprises	14	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	1,320	80,356	92,496
(c)	Debt Securities	15	1,50,124	1,91,788	2,02,476
(d)	Borrowings (Other than Debt Securities)	16	9,36,185	10,90,144	9,94,254
(e)	Subordinated Liabilities	17	1,41,278	1,11,353	1,16,565
(f)	Other Financial Liabilities	18	24,202	26,856	27,034
(2)	**Non-Financial Liabilities**				
(a)	Provisions	19	606	446	569
(b)	Deferred Tax Liabilities (Net)	11	-	-	3,593
(c)	Other Non-Financial Liabilities	20	4,244	3,709	11,235
(3)	**Equity**				
(a)	Equity Share Capital	21	50,324	50,324	50,324
(b)	Other Equity	22	2,48,384	2,57,654	2,56,426
	TOTAL LIABILITIES AND EQUITY		**15,57,090**	**18,13,445**	**17,56,765**
Significant Accounting Policies and Notes to Financial Statements.		1 to 44			

The Notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Place: Kolkata
Date: 25th May, 2019

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2019

(₹ in Lacs)

	Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
	REVENUE FROM OPERATIONS			
(i)	Interest Income	23	1,51,352	1,66,353
(ii)	Dividend Income		84	92
(iii)	Rental Income		2,618	4,722
(iv)	Fees and Commission Income		4,776	5,069
(v)	Net gain on fair value changes	24	6,670	10,764
(vi)	Net gain on derecognition of financial instruments under fair value through profit or loss		22,236	2,782
(vii)	Others		107	7
(I)	**Total Revenue from Operations**		**1,87,843**	**1,89,789**
(II)	Other Income	25	1,114	439
(III)	**Total Income (I+II)**		**1,88,957**	**1,90,228**
	EXPENSES			
(i)	Finance Costs	26	1,43,049	1,34,093
(ii)	Fees and Commission Expense		1,115	367
(iii)	Impairment on Financial Instruments (Net)	28	16,517	24,931
(iv)	Employee Benefits Expenses	27	3,645	3,350
(v)	Depreciation, Amortisation and Impairment Expense	12, 13	4,503	5,328
(vi)	Administrative and Other Expenses	29	7,867	9,331
(IV)	**Total Expenses (IV)**		**1,76,696**	**1,77,400**
(V)	**Profit before Exceptional Items & Tax (III- IV)**		**12,261**	**12,828**
(VI)	Exceptional items		-	-
(VII)	**Profit Before Tax (V-VI)**		**12,261**	**12,828**
(VIII)	Tax Expense:			
	(a) Current Tax		-	7,226
	(b) Deferred Tax		2,794	(3,440)
(IX)	**Profit After Tax (VII-VIII)**		**9,467**	**9,042**
(X)	**Other Comprehensive Income/(Expense)**			
	(i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurement Gains/ (Losses) on Defined Benefit Plan		(35)	142
	(b) Gains/ (Losses) on Equity Instruments through Other Comprehensive Income		(16,491)	(5,754)
	(ii) Tax related to above		3,854	825
	Total Other Comprehensive Income/(Expense) (X)		**(12,672)**	**(4,787)**
(XI)	**Total Comprehensive Income/(Expense) for the period (IX+X)**		**(3,205)**	**4,255**
(XII)	**Earnings per Equity share (Basic and Diluted) (in ₹)**	**30**	**1.88**	**1.80**
	(Par Value₹ 10/- per Equity Share)			
Significant Accounting Policies and Notes to Financial Statements.		1 to 44		

The Notes referred to above form an integral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Place: Kolkata
Date: 25th May, 2019

For and on behalf of the Board of Directors

Hemant Kanoria *Chairman*

Shyamalendu Chatterjee *Director*

Rakesh Kumar Bhutoria *Chief Executive Officer*

Sandeep Kumar Sultania *Chief Financial Officer*

Sandeep Lakhotia *Company Secretary*

Cash Flow Statement as at 31st March, 2019

(₹ in Lacs)

		Year ended 31st March, 2019	Year ended 31st March, 2018
A	**Cash Flow from Operating Activities**		
	Profit Before Tax	**12,261**	**12,828**
	Adjustments for :		
	Net unrealised fair value (gain) / loss	(5,828)	(9,143)
	Net (gain) / loss on derecognition of Property, Plant and Equipment	380	(34)
	Interest on Income Tax Refund	(1,118)	-
	Liabilities No Longer Required written back	(61)	(43)
	Impairment on Financial Instruments	16,517	24,931
	Depreciation, Amortisation and Impairment Expense	4,503	5,328
	Operating profit before working capital changes	**26,654**	**33,867**
	Changes in Working Capital		
	Adjustments for :		
	(Increase) / Decrease in Trade Receivables and Others assets	69,278	(73,481)
	(Increase) / Decrease in Loans Assets	1,27,678	(36,982)
	Increase / (Decrease) in Trade Payables and Others Liabilities	(81,233)	(19,340)
	Increase/ (Decrease) in Other Bank Balances	23,218	(5,728)
	Cash Generated / (used) in operations	**1,65,595**	**(1,01,664)**
	Direct Taxes Paid (net of refund)	403	(4,231)
	Net Cash (Used in) / Generated from Operating Activities	**1,65,998**	**(1,05,895)**
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment, and Intangible Assets	(362)	(2,418)
	Proceeds from Sale of Property, Plant and Equipment	6,367	50
	(Increase) / Decrease in Investments (Other than Subsidiaries)	(23,310)	35,142
	(Increase) / Decrease of Investments in Subsidiaries	750	42
	Net Cash (Used in) / Generated from Investing Activities	**(16,555)**	**32,816**
C	**Cash Flow from Financing Activities**		
	Proceeds from issuance of Debt securities (including subordinated debt securities) (net)	(11,490)	(16,342)
	Increase / (Decrease) in Working Capital facilities (net)	(91,810)	90,824
	Increase / (Decrease) in Other Borrowings (net)	(62,149)	5,066
	Dividend Paid (including Corporate Dividend Tax)	(6,048)	(3,027)
	Net Cash (Used in) / Generated from Financing Activities	**(1,71,497)**	**76,521**
	Net Increase / (Decrease) in Cash and Cash Equivalents	**(22,054)**	**3,442**
	Cash & Cash Equivalents at the beginning of the year	**31,154**	**27,712**
	Cash and Cash Equivalents at the end of the year (refer Note No. 2)	**9,100**	**31,154**
	Net Cash (Used in) / Generated from Operating Activities includes:		
	Interest Received	1,49,762	1,62,653
	Interest Paid	1,43,907	1,34,056
	Dividend Received	84	92

(₹ in Lacs)

Components of cash and cash equivalents:	As at 31st March 2019	As at 31st March 2018
Cash and cash equivalents at the end of the year		
(a) Cash on hand	-	3
(b) Balances with Banks - in Current Account	9,100	9,025
(c) Cheques on Hand	-	22,126
	9,100	**31,154**

Explanations:

1. The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.

2. Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification.

This is the Cash Flow Statement referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Place: Kolkata
Date: 25th May, 2019

For and on behalf of the Board of Directors

Hemant Kanoria *Chairman*

Shyamalendu Chatterjee *Director*

Rakesh Kumar Bhutoria *Chief Executive Officer*

Sandeep Kumar Sultania *Chief Financial Officer*

Sandeep Lakhotia *Company Secretary*

Statement of Changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital

(₹ in Lacs)

Particulars	Amount
As at 1st April, 2017	**50,324**
Changes in Equity share capital during the year	-
As at 31st March, 2018	**50,324**
Changes in Equity share capital during the year	-
As at 31st March, 2019	**50,324**

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus							Items of other comprehensive Income	Total
	Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)	Income Tax Special reserve (pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Bond/Debenture Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as at the 1st April, 2017 (restated)	**22,562**	**13,084**	**1,945**	**19,754**	**17,339**	**1,39,604**	**14,231**	**27,907**	**2,56,426**
Profit for the year	-	-	-	-	-	-	9,042	-	9,042
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	92	(4,879)	(4,787)
Dividends	-	-	-	-	-	-	(3,027)	-	(3,027)
Transfer from retained earnings	2,470	1,522	-	-	4,769	-	(8,761)	-	-
Balance as at 31st March, 2018	**25,032**	**14,606**	**1,945**	**19,754**	**22,108**	**1,39,604**	**11,577**	**23,028**	**2,57,654**
Balance as at the 1st April, 2018	25,032	14,606	1,945	19,754	22,108	1,39,604	11,577	23,028	2,57,654
Profit for the year	-	-	-	-	-	-	9,467	-	9,467
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	(23)	(12,649)	(12,672)
Dividend and Corporate Dividend Tax	-	-	-	-	-	-	(6,065)	-	(6,065)
Transfer from retained earnings	1,893	-	-	-	552	-	(2,445)	-	-
Balance as at 31st March, 2019	**26,925**	**14,606**	**1,945**	**19,754**	**22,660**	**1,39,604**	**12,511**	**10,379**	**2,48,384**

*Includes charge for ₹ 23 Lacs (Previous year: gain of ₹ 92 lacs) on account of remeasurement of defined benefit plans.

This is the Statement of Changes in Equity referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Place: Kolkata
Date: 25th May, 2019

For and on behalf of the Board of Directors

Hemant Kanoria *Chairman*
Shyamalendu Chatterjee *Director*
Rakesh Kumar Bhutoria *Chief Executive Officer*
Sandeep Kumar Sultania *Chief Financial Officer*
Sandeep Lakhotia *Company Secretary*

Significant Accounting Policies and Notes to Financial Statements

1 (a) Corporate Information

Srei Infrastructure Finance Limited (the 'Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956. The Company's shares are listed on National Stock Exchange of India Limited and BSE Limited. The Company received a certificate of registration from the Reserve Bank of India (RBI) on 1st August, 1998 to commence/ carry on the business of Non- Banking Financial Institution (NBFI) and was subsequently classified as Infrastructure Finance Company vide certificate of registration dated 11th May, 2010. The registration details are as follows:

RBI	B-05.02773
Corporate Identity Number (CIN)	L29219WB1985PLC055352

The registered office of the Company and the principal place of business is 'Viswakarma' 86C Topsia Road (South), Kolkata – 700046.

The financial statements of the Company for the year ended 31st March, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 25th May, 2019.

1 (b) Significant Accounting Policies

1.1 Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs ("the MCA"), the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, from 1st April, 2018 and the effective date of such transition is 1st April, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("the RBI"), (collectively referred to as "the Previous GAAP").

Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from Previous GAAP to Ind AS of Other equity as at 1st April, 2017 and 31st March, 2018 and of the Total Comprehensive Income for the period ended 31st March 2018. Refer Note No. 1.20 for the details of first-time adoption exemptions availed by the Company and Note No. 32 for Reconciliation of Equity and Total Comprehensive Income for numbers reported under Previous GAAP to Ind AS.

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for the following:

- certain financial instruments that are measured at fair values at the end of each reporting period;
- defined benefit plans - plan assets measured at fair value; and
- assets acquired in satisfaction of debt - at the lower of their carrying amount of debt and fair value less costs to sell of the asset acquired.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements require the use of certain significant accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosed amount of contingent liabilities.

Areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the Company are discussed in Note No. 1.21 - Significant accounting judgements, estimates and assumptions.

The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates and the differences between the actual results and the estimates would be recognised in the periods in which the results are known / materialised.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakh, except otherwise indicated.

Significant Accounting Policies (Contd.)

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

The accounting policies for some specific items are disclosed in the respective notes to the financial statements. Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 1.3 to 1.21.

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA).

1.3 Investments in Subsidiaries and Associates

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Company has accounted for its equity instruments in Subsidiaries and Associates at cost, less accumulated impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

1.4 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from Operations is recognised in the statement of Profit and Loss on an accrual basis as stated herein below:

(a) Interest income from financial assets is recognised by applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit-impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVOCI). The basis of computation of EIR is discussed in Note No. 1.16.3.

Any subsequent changes in the estimation of the future cash flows having impact on EIR are recognised as interest income with the corresponding adjustment to the carrying amount of the assets.

(b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.16.3.

(c) Interest Income on credit impaired financial assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(d) Rental income arising from non-cancellable operating leases is recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the users benefit. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.

(e) Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(f) **Revenue from Contract with Customers:**

Fees and Commission Income are recognised when transfer of control of promised services to customers in an amount that reflects that the consideration the Company expects to receive in exchange for those services. Revenue is recognised from management and consultancy services as and when related services are rendered and performance obligation is satisfied which is based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties

Significant Accounting Policies (Contd.)

that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

(g) Income from dividend is recognised when the Company's right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

1.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1.5.1 The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Assets given on operating leases are included in Property Plant and Equipment.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

For the revenue recognition policy on Lease Contracts, refer Note No. 1.4.

1.5.2 The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (refer Note No. 1.7). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Significant Accounting Policies (Contd.)

1.6 Foreign currency translation

(i) Functional and presentational currency

The financial statements are presented in Indian Rupee (INR) in lacs, the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Foreign currency changes for non-monetary items measured at FVTOCI are recognised in other comprehensive income.

1.7 Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Interest expense includes origination costs that are initially recognised as part of the carrying value of the financial liability and amortized over the expected life using the EIR. It also include expenses related to borrowing which are not part of effective interest as not directly related to loan origination.

1.8 Employee Benefits

1.8.1 Retirement benefit costs and other employee benefits

(A) Defined Contribution Plans:

Contributions to Provident Fund, Pension Fund and Employee State Insurance are considered as defined contribution plans and are recognised as expenditure when an employee renders related services.

(B) Defined Benefit Plans:

Gratuity Liability is defined benefit plan. The cost of providing benefits is determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected under retained earnings and is not reclassified to the statement of Profit & Loss.

Significant Accounting Policies (Contd.)

(C) Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantially enacted at the reporting period.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax

The Company's deferred tax is calculated using tax rate that are substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.10 Property, Plant and Equipment

Property, plant and equipment shown in the balance sheet consists of assets used in the provision of services or for administrative purposes, and include assets leased by the Company as lessor under operating leases.

Initial and subsequent recognition

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any.

Significant Accounting Policies (Contd.)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the statement of Profit and Loss during the reporting period in which they are incurred.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of Profit and Loss. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Company has adopted the useful life as specified in Schedule II to the Companies Act, 2013.

Leasehold assets including improvements are amortised over the period of the lease.

Depreciation on assets purchased / sold during the period is recognised on a pro-rata basis.

1.11 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over 2-6 years, which reflects the managements estimate.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of Profit and Loss when the asset is de-recognised.

1.12 Impairment of Non-Financial Assets

Tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment on an annual basis, and on a shorter period whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Significant Accounting Policies (Contd.)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of Profit and Loss.

Investment in Subsidiaries and Associates

The carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

In case of litigations, provision is recognised once it has been established that the Company has a present obligation based on information available up to the date on which the Company's financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent Liabilities

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. Company does not recognised contingent liability but discloses its existence in the financial statements.

Contingent Assets

Contingent assets are not recognised in the financial statements, but are disclosed where an inflow of economic benefits is probable.

1.14 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, balances with banks, cheques on hand, remittances in transit and short-term investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Significant Accounting Policies (Contd.)

1.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM assess the financial performance and position of the Company and makes strategic decisions.

The Company is predominantly engaged in a single reportable segment of 'Financial Services' as per the Ind AS 108 - Segment Reporting.

1.16 Financial Instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost

2. Financial assets to be measured at fair value through other comprehensive income

3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the statement of Profit and Loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

1.16.1 Recognition of Financial Instruments:

Financial assets and financial liabilities are recognised when entity becomes a party to the contractual provisions of the instruments. Loans & advances and all other regular way purchases or sales of financial assets are recognised and derecognised on the trade date basis.

1.16.2 Initial Measurement of Financial Instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities

Significant Accounting Policies (Contd.)

at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of Profit and Loss.

1.16.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost (AC):

These financial assets comprise bank balances, Loans, Trade receivables, Other receivables, investments and other financial assets.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the statement of Profit and Loss on disposal of the investments. Dividends on such investments are recognised in the statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of Profit and Loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of Profit and Loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):

A financial asset which is not classified as AC or FVTOCI is measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Any differences between the fair values of financial assets classified as FVTPL and held by the Company on the balance sheet date is recognised in the statement of Profit and Loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Effective Interest Rate (EIR) Method:

The EIR is a method of calculating the amortized cost of a debt instrument and of allocating interest income or expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability on initial recognition.

Significant Accounting Policies (Contd.)

The EIR for financial assets or financial liability is computed

a. By considering all the contractual terms of the financial instrument in estimating the cash flows.

b. Including fees and transaction costs that are integral part of EIR.

Impairment of Financial Assets:

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses.

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognised in the statement of Profit and Loss are the same as the amount would have been recognised in case the debt instrument is measured at amortised cost.

No Expected credit losses are recognised on equity investments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount equal to lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset accounted under Ind AS 109 in its entirety:

a) for financial assets measured at amortised cost, the gain or loss is recognised in the statement of Profit and Loss.

b) for financial assets measured at fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves may be reclassified within equity.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a liability for the proceeds received.

Modification/ revision in estimates of cash flows of financial assets:

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in the statement of Profit and Loss.

Significant Accounting Policies (Contd.)

(B) Financial Liabilities and Equity Instruments:

Classification as debt or equity:

Financial liabilities and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments".

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost.

Financial Guarantee Contracts

Financial guarantees issued by the Company are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of Profit and Loss.

Significant Accounting Policies (Contd.)

1.16.4 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

1.16.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

1.16.6 Overview of the Expected Credit Loss (ECL) principles

Expected credit loss (ECL) is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

For portfolio of exposures, ECL is modelled as the product of the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD).

Significant Accounting Policies (Contd.)

In case of assets identified to be significantly credit-impaired to the extent that default has happened or seems to be a certainty rather than probability, ECL would be determined by directly estimating the receipt of cash flows and timing thereof.

Staging:

The loan portfolio would be classified into three stage-wise buckets – Stage 1, Stage 2 and Stage 3 – corresponding to the contracts assessed as performing, under-performing and non-performing, in accordance with the IND-AS guidelines. The key parameter used for stage-wise classification would be days past due (DPDs).

Stage 1: Ongoing exposures with DPD (days past due) up to 60 days

Stage 2: Ongoing exposures with DPD (days past due) between 61 and 90 days

Stage 3: Ongoing exposures with DPD (days past due) of 91 days or more, and any other contracts identified from time to time by the management.

While the presumption for inter-stage threshold for Stage 1 is 30 days, the Company has rebutted the presumption and has considered 60 days as the threshold. As the borrowers are typically operating in infrastructure sector, where receivables tend to be stretched, notwithstanding whether the principals are government/quasi-government entities or private sector entities. As per current market practice, NBFCs typically tend to be paid later than banks by borrowers since banks control their working capital financing.

Methodology:

The basis of the ECL calculations are outlined below which is intended to be more forward-looking. Key elements of ECL are, as follows:

Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The key tenets of Company's methodology are as under:

Past performance as basis for ECL discovery: Company's ECL methodology is based on discovery of the relevant parameters – namely EAD, PD and LGD – from the Company's actual performance of past portfolios.

Unsegmented portfolio for ECL

Company's financing is restricted to a large extent to the infrastructure sectors. Consequently, its loan originations every year have been limited in count over the past years. Considering the limitations of count, ECL is computed on an unsegmented portfolio basis. In some infrastructure sectors, higher LGD is also considered.

Life Cycle Determination

Since the Company is engaged primarily in lending to infrastructure sector, a significant portion of the advances is long term in nature. Based on maturity pattern on the Company's advances in past years, the average life cycle has been considered as 5 years.

The management will continue to monitor the loan cases on an ongoing basis, and have the discretion to make higher provisions on the basis expected recovery of the individual accounts wherever considered necessary.

Significant Accounting Policies (Contd.)

1.17 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note to the financial statements.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

1.17.1 Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

1.18 Hedge Accounting

The Company complies with the principles of hedge accounting where derivative contracts are designated as hedging instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge. Furthermore, on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

1.18.1 Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of Profit or Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

1.18.2 Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated as 'Cash Flow Hedge Reserve'. The gain or loss relating to the ineffective portion is recognised immediately in the statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to the statement of Profit and Loss in the periods when the hedged item affects the statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the underlying transaction is ultimately recognised in the statement of Profit and Loss. When an underlying transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of Profit and Loss.

1.19 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Significant Accounting Policies (Contd.)

1.20 First time adoption

These financial statements, for the year ended 31st March, 2019 are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2018 the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2019 together with the comparative period data as at and for the year ended 31st March, 2018 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2017 the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2017 and the financial statements as at and for the year ended 31st March, 2018.

1.20.1 Derecognition of financial assets and financial liabilities

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind AS, it shall not recognise those assets and liabilities in accordance with Ind AS (unless they qualify for recognition as a result of a later transaction or event). The Company has opted not to re-evaluate financial assets derecognised in the past and to apply the derecognition requirements prospectively for transactions occurring on or after the transition date.

1.20.2 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

1.20.3 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

1.20.4 Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

1.20.5 Deemed cost for property, plant and equipment and intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at 31st March, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on 1st April, 2017.

1.20.6 Determining whether an arrangement contains a lease

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of arrangement. However, the Company has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on transition date.

Significant Accounting Policies (Contd.)

1.20.7 Deemed cost for investments in Subsidiaries and Associates

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The Company has selected fair value as on transition date as deemed cost for few investment in Subsidiaries and Associates.

Accordingly, the Company has considered fair value as deemed cost for its investments held in subsidiaries and associates identified on individual basis.

1.20.8 Mandatory Exceptions

Following mandatory exceptions are applicable to the Company:

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

1.21 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1.21.1 Impairment charges on loans and advances

The measurement of impairment losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These are based on the assumptions which are driven by a number of factors resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, nature of assets underlying assets financed, levels of arrears, credit utilization, loan to collateral ratios etc.), and the concentration of risk and economic data (including levels of unemployment, country risk and performance of different individual groups). These significant assumptions have been applied consistently to all period presented.

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.16.6 Overview of ECL principles.

1.21.2 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which

Significant Accounting Policies (Contd.)

the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

1.21.3 Provisions other than loan impairment

Provisions are held in respect of a range of future obligations such as employee entitlements, litigation provisions, etc. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions.

1.21.4 Fair Value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.21.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

1.21.6 EIR method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

1.21.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

1.22 Recent accounting pronouncements

The Standards that are issued, but not yet effective, are disclosed below. The Company intends to adopt these standards when they became effective:

Ind AS 116, Leases

Ind AS 116, Leases was notified on 30th March, 2019 and it replaces Ind AS 17 on Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, the adoption of this standard is not likely to have a material impact in its Financial Statements.

Significant Accounting Policies (Contd.)

Amendment to Ind AS 12 'Income Taxes'

The amendment clarifies that an entity shall recognize income tax consequences of dividends in statement of Profit and Loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1 April 2019.

Amendment to Ind AS 19 'Employee Benefits

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in statement of Profit and Loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

Notes to Financial Statements (Contd.)

2. Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Cash on hand	-	3	2
Balances with Banks - in Current Account	9,100	9,025	7,908
Fixed Deposits with banks having original maturity of 3 months or less*	-	-	4,823
Balances in Automated Teller Machines (ATMs) (In connection with White Label ATM Business)	-	-	20
Cheques on Hand	-	22,126	14,959
Total	**9,100**	**31,154**	**27,712**

*Includes

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Under Lien:			
- Bank Guarantees	-	-	332

(i) Changes in Cash Flow from financing activities

(₹ in Lacs)

Particulars	As at 1st April, 2018	Movement		As at 31st March, 2019
		Cash	Non-Cash	
Debt Securities	1,91,788	(41,664)	-	1,50,124
Borrowings (Other than Debt Securities)	10,90,144	(1,53,437)	(522)	9,36,185
Subordinated Liabilities	1,11,353	29,925	-	1,41,278
Unclaimed Debentures	-	-	249	249
Total	**13,93,285**	**(1,65,176)**	**(273)**	**12,27,836**

(₹ in Lacs)

Particulars	As at 1st April, 2017	Movement		As at 31st March, 2018
		Cash	Non-Cash	
Debt Securities	2,02,476	(10,688)	-	1,91,788
Borrowings (Other than Debt Securities)	9,94,254	94,545	1,345	10,90,144
Subordinated Liabilities	1,16,565	(5,212)	-	1,11,353
Unclaimed Debentures	442	-	(442)	-
Total	**13,13,737**	**78,645**	**903**	**13,93,285**

Notes to Financial Statements (Contd.)

3. Other Bank Balances

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Unclaimed Dividend Accounts	52	35	35
Fixed Deposits with banks having original maturity of more than 3 months *	11,472	34,707	28,979
Total	11,524	34,742	29,014

*Includes

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Under Lien:			
- Letter of credit	-	34,260	27,869
- Bank Guarantees	11,471	446	1,085
- Unclaimed Public Deposit & Interest	1	1	25

Notes to Financial Statements (Contd.)

4. Derivative Financial Instruments

(₹ in Lacs)

Part I	As at 31st March, 2019			As at 31st March, 2018			As at 1st April, 2017		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Currency derivatives:									
-Spot and forwards	1,705	-	48	-	-	-	4,932		161
-Currency swaps	28,526	1,661	375	31,391	2,796	795	43,442	2,929	1,517
-Options purchased	11,079	455	-	13,333	501	-	16,697	1,050	-
Subtotal (i)	**41,310**	**2,116**	**423**	**44,724**	**3,297**	**795**	**65,071**	**3,979**	**1,678**
(ii) Interest rate derivatives									
-Forward Rate Agreements and Interest Rate Swaps	16,596	410	-	21,615	772	20	35,064	413	115
Subtotal(ii)	**16,596**	**410**	**-**	**21,615**	**772**	**20**	**35,064**	**413**	**115**
Total Derivative Financial Instruments (i)+(ii)	**57,906**	**2,526**	**423**	**66,339**	**4,069**	**815**	**1,00,135**	**4,392**	**1,793**
Part II									
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Fair value hedging:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Subtotal (i)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Cash flow hedging:									
-Currency derivatives	-	-	-	-	-	-	-	-	-
-Interest rate derivatives	-	-	-	-	-	-	-	-	-
Subtotal (ii)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Undesignated Derivatives	57,906	2,526	423	66,339	4,069	815	1,00,135	4,392	1,793
Total Derivative Financial Instruments (i)+(ii)+(iii)	**57,906**	**2,526**	**423**	**66,339**	**4,069**	**815**	**1,00,135**	**4,392**	**1,793**

The Company's risk management strategy and how it is applied to manage risk are explained in Note No. 35.

4.1 The Company has entered into Options/Swaps/Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding are as follows:

(Amount in Lacs)

Category	Currency	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
		Number of Contracts	Amount in Foreign Currency	Number of Contracts	Amount in Foreign Currency	Number of Contracts	Amount in Foreign Currency
Options /Swaps	USD/INR	2	USD 300.00	4	USD 341.70	8	USD 590.74
Options /Swaps	EUR/INR	3	EUR 292.12	3	EUR 335.30	3	EUR 371.90
Forwards	USD/INR	4	USD 11.20	-	-	11	USD 62.00
Forwards	EUR/INR	-	-	-	-	2	EUR 3.50
Forwards	EUR/USD	6	EUR 10.90	-	-	3	EUR 7.50
Interest Rate Swaps	USD/INR	2	USD 240.00	6	USD 331.67	9	USD 540.74

Notes to Financial Statements (Contd.)

5.1 Trade Receivables:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
(a) Considered good - Secured;	-	-	-
Less: Allowance for impairment loss allowance	-	-	-
	-	-	-
(b) Considered good - Unsecured;	17,112	2,210	1,519
Less: Allowance for impairment loss allowance	155	5	-
	16,957	2,205	1,519
(c) Significant increase in credit risk	-	-	-
Less: Allowance for impairment loss allowance	-	-	-
	-	-	-
(d) Credit impaired	1,665	1,580	1,398
Less: Allowance for impairment loss allowance	1,665	1,580	1,398
	-	-	-
Total (a+b+c+d)	**16,957**	**2,205**	**1,519**

i. In determining the allowances for credit losses, the Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

ii. Movements in Expected Credit Losses Allowance is as below:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	1,585	1,398
Charge in Statement of Profit and Loss	235	187
Utilized during the year	-	-
Balance at the end of the year	**1,820**	**1,585**

iii. Ageing of Trade Receivables and Credit Risk arising therefrom is as below:

(₹ in Lacs)

Particulars	As at 31st March, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	16,712	24	16,688
Due between three to six months	164	25	139
Due between six months to one year	236	106	130
More than 1 year due	1,665	1,665	-
	18,777	**1,820**	**16,957**

(₹ in Lacs)

Particulars	As at 31st March, 2018		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	2,150	-	2,150
Due between three to six months	25	-	25
Due between six months to one year	35	5	30
More than 1 year due	1,580	1,580	-
	3,790	**1,585**	**2,205**

Notes to Financial Statements (Contd.)

(₹ in Lacs)

Particulars	As at 1st April, 2017		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	1,280	-	1,280
Due between three to six months	61	-	61
Due between six months to one year	178	-	178
More than 1 year due	1,398	1,398	-
	2,917	**1,398**	**1,519**

5.2 Other Receivables:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
(a) Secured, considered good;	-	-	-
Less: Allowance for impairment loss allowance	-	-	-
	-	-	-
(b) Unsecured considered good; and	-	-	9,561
Less: Allowance for impairment loss allowance	-	-	648
	-	-	8,913
(c) Significant increase in credit risk	-	-	-
Less: Allowance for impairment loss allowance	-	-	-
	-	-	-
(d) Credit impaired	-	-	2,356
Less: Allowance for impairment loss allowance	-	-	2,356
	-	-	-
Total (a+b+c+d)	**-**	**-**	**8,913**

i In determining the allowances for credit losses, the Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

ii. Movements in Expected Credit Losses Allowance is as below:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	-	3,004
Credited in Statement of Profit and Loss	-	902
Utilized during the year	-	2,102
Balance at the end of the year	-	-

Notes to Financial Statements (Contd.)

iii. Ageing of Other Receivables and Credit Risk arising therefrom is as below:

(₹ in Lacs)

Particulars	As at 31st March, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	-	-	-
Due between three to six months	-	-	-
Due between six months to one year	-	-	-
More than 1 year due	-	-	-
	-	-	-

(₹ in Lacs)

Particulars	As at 31st March, 2018		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	-	-	-
Due between three to six months	-	-	-
Due between six months to one year	-	-	-
More than 1 year due	-	-	-
	-	-	-

(₹ in Lacs)

Particulars	As at 1st April, 2017		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	7,396	-	7,396
Due between three to six months	619	-	619
Due between six months to one year	1,546	648	898
More than 1 year due	2,356	2,356	-
	11,917	3,004	8,913

The change in Expected Credit Loss Allowance of Receivables was driven by a change in the outstanding amount and movements between age buckets.

Notes to Financial Statements (Contd.)

6. Loans

(₹ in Lacs)

Particulars	As at 31st March, 2019						As at 31st March, 2018						As at 1st April, 2017					
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
Loans																		
(A)																		
(i) Term Loans	10,19,723	-	52	-	52	10,19,775	10,61,195	-	29,777	-	29,777	10,90,972	10,52,738	-	26,648	-	26,648	10,79,386
(ii) Other Loans:																		
Intercoroporate Deposit	358	-	-	-	-	358	49,143	-	-	-	-	49,143	38,000	-	-	-	-	38,000
Letter of Credit	-	-	-	-	-	-	79,916	-	-	-	-	79,916	91,953	-	-	-	-	91,953
Total (A) Gross	**10,20,081**	**-**	**52**	**-**	**52**	**10,20,133**	**11,90,254**	**-**	**29,777**	**-**	**29,777**	**12,20,031**	**11,82,691**	**-**	**26,648**	**-**	**26,648**	**12,09,339**
Less: Impairment loss allowance	(81,139)				-	(81,139)	(1,40,194)	-	-	-	-	(1,40,194)	(1,46,814)	-	-	-	-	(1,46,814)
Total (A) Net	**9,38,942**	**-**	**52**	**-**	**52**	**9,38,994**	**10,50,060**	**-**	**29,777**	**-**	**29,777**	**10,79,837**	**10,35,877**	**-**	**26,648**	**-**	**26,648**	**10,62,525**
(B)																		
(i) Secured by tangible assets / cash flows*	10,17,976	-	52	-	52	10,18,028	11,62,952	-	29,777	-	29,777	11,92,729	11,23,349	-	26,648	-	26,648	11,49,997
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	2,105	-	-	-	-	2,105	27,302	-	-	-	-	27,302	59,342	-	-	-	-	59,342
Total (B) Gross	**10,20,081**	**-**	**52**	**-**	**52**	**10,20,133**	**11,90,254**	**-**	**29,777**	**-**	**29,777**	**12,20,031**	**11,82,691**	**-**	**26,648**	**-**	**26,648**	**12,09,339**
Less: Impairment loss allowance	(81,139)	-	-	-	-	(81,139)	(1,40,194)	-	-	-	-	(1,40,194)	(1,46,814)	-	-	-	-	(1,46,814)
Total (B) Net	**9,38,942**	**-**	**52**	**-**	**52**	**9,38,994**	**10,50,060**	**-**	**29,777**	**-**	**29,777**	**10,79,837**	**10,35,877**	**-**	**26,648**	**-**	**26,648**	**10,62,525**
(C) (I) Loans in India																		
(i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others	10,20,081	-	52	-	52	10,20,133	11,90,254	-	29,777	-	29,777	12,20,031	11,82,691	-	26,648	-	26,648	12,09,339
Total (C) Gross	**10,20,081**	**-**	**52**	**-**	**52**	**10,20,133**	**11,90,254**	**-**	**29,777**	**-**	**29,777**	**12,20,031**	**11,82,691**	**-**	**26,648**	**-**	**26,648**	**12,09,339**
Less: Impairment loss allowance	(81,139)	-	-	-	-	(81,139)	(1,40,194)	-	-	-	-	(1,40,194)	(1,46,814)	-	-	-	-	(1,46,814)
Total (C) (I) Net	**9,38,942**	**-**	**52**	**-**	**52**	**9,38,994**	**10,50,060**	**-**	**29,777**	**-**	**29,777**	**10,79,837**	**10,35,877**	**-**	**26,648**	**-**	**26,648**	**10,62,525**
(C) (II) Loans outside India																		
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II) Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (C) (I) and C (II)	**9,38,942**	**-**	**52**	**-**	**52**	**9,38,994**	**10,50,060**	**-**	**29,777**	**-**	**29,777**	**10,79,837**	**10,35,877**	**-**	**26,648**	**-**	**26,648**	**10,62,525**

*Secured by underlying assets and in certain cases are additionally secured by immovable properties and / or pledge of equity shares of the borrowers by way of collateral security. Exposures which are secured by a charge over future toll revenue/ cash flows / receivables etc. have been considered as secured.

(a) In terms of an Order from DRT-I, Kolkata dated 24 December, 2014, Deccan Chronicle Holding Limited (DCHL), one of the borrowers of the Company, had in the financial year 2014-15 allotted to the Company 66,037,735 equity shares in DCHL pursuant to conversion of a portion of loan into equity shares by virtue of the Company's rights under the financial documents. However, during the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 of DCHL, the Company has come to know that the said allotment of 66,037,735 equity shares by DCHL was contrary to law and therefore, void and ineffective. Since DCHL failed to give effect to such conversion, the Company has irrevocably and unconditionally withdrawn its right of conversion of loan into equity shares of DCHL vide its letter dated 23 April, 2018 to Resolution Professional of DCHL.

Notes to Financial Statements (Contd.)

6. Loans (Contd.....)

i. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2019					As at 31st March, 2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	9,45,676	12,970	2,61,385	-	12,20,031	7,90,659	1,58,091	2,60,589	-	12,09,339
New assets originated or purchased	7,28,340	27,432	2,199	-	7,57,971	5,32,736	13,906	27,492	-	5,74,134
Assets derecognised or repaid (excluding write offs)	(7,76,574)	(10,344)	(97,573)	-	(8,84,491)	(4,54,073)	(29,297)	(66,644)	-	(5,50,014)
Transfers to Stage 1	36,565	(30,058)	(6,507)	-	-	1,30,500	(1,07,034)	(23,466)	-	-
Transfers to Stage 2	-	-	-	-	-	(335)	335	-	-	-
Transfers to Stage 3	(1,50,425)	-	1,50,425	-	-	(53,811)	(23,031)	76,842	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	(2,056)	-	(71,322)	-	(73,378)	-	-	(13,428)	-	(13,428)
Gross carrying amount closing balance	**7,81,526**	**-**	**2,38,607**	**-**	**10,20,133**	**9,45,676**	**12,970**	**2,61,385**	**-**	**12,20,031**

ii. Reconciliation of ECL balance is given below:

(₹ in Lacs)

Particulars	As at 31st March, 2019					As at 31st March, 2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	19,436	516	1,20,242	-	1,40,194	5,276	2,403	1,39,135	-	1,46,814
New assets originated or purchased	19,874	2,845	150	-	22,869	11,011	3,781	11,352	-	26,144
Assets derecognised or repaid (excluding write offs)	16,193	(265)	(36,217)	-	(20,289)	13,434	2,944	(36,331)	-	(19,953)
Transfers to Stage 1	3,747	(3,096)	(651)	-	-	9,769	(1,327)	(8,442)	-	-
Transfers to Stage 2	-	-	-	-	-	(13)	13	-	-	-
Transfers to Stage 3	(32,373)	-	32,373	-	-	(20,041)	(7,298)	27,339	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	(188)	-	(61,447)	-	(61,635)	-	-	(12,811)	-	(12,811)
ECL allowance - closing balance	**26,689**	**-**	**54,450**	**-**	**81,139**	**19,436**	**516**	**1,20,242**	**-**	**1,40,194**

iii. The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ 47,098 lacs (Previous year: ₹ 3,368 lacs).

iv. The change in Expected Credit Loss Allowance of the portfolio was driven by an change in the size of the portfolio, change in the composition of the portfolio and movements between stages as a result of increase or decrease in credit risk of the borrowers.

Notes to Financial Statements (Contd.)

6.1 Disclosure of Restructured Assets

(₹ in Lacs)

Sl. No.	Type of Restructuring / Financial year / Asset classification		Under CDR Mechanism	Others	Total	Under CDR Mechanism	Others	Total
			Year ended 31st March, 2019			Year ended 31st March, 2018		
1	Restructured accounts as on 1st April	No. of borrowers	2	2	4	2	5	7
		Amount outstanding	4,458	7,970	12,428	4,928	17,758	22,686
		Provision thereon	2,229	2,177	4,406	2,465	6205	8670
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	(1)	(1)
		Amount outstanding	(738)	(155)	(893)	(470)	(9,372)	(9,842)
		Provision thereon	(70)	(86)	(156)	(236)	(3,820)	(4,056)
3	Upgradation	No. of borrowers	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-
5	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers	(1)	(1)	(2)	-	(2)	(2)
		Amount outstanding	(1,734)	(999)	(2,733)	-	(416)	(416)
		Provision thereon	(867)	(999)	(1,866)	-	(208)	(208)
7	Restructured accounts as on 31st March	No. of borrowers	1	1	2	2	2	4
		Amount outstanding	1,986	6,816	8,802	4,458	7,970	12,428
		Provision thereon	1,292	1,092	2,384	2,229	2,177	4,406

Note:

i) There are no restructured accounts under "SME Debt Restructuring Mechanism" category.

ii) Fresh restructuring during the year includes fresh sanction/ changes to existing restructured accounts.

iii) The outstanding amount and number of borrowers as at 31st March, 2019 and 31st March, 2018 is after considering recoveries during the year.

iv) Asset classification as required by Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, is not disclosed as asset classification is not defined under Ind AS.

v) The Company has classified all the restructured accounts under Stage 3 for ECL Calculations under Ind AS and Provision for Impairment Loss on all the restructured accounts have been in the books accordingly.

Notes to Financial Statements (Contd.)

7. Investments

(₹ in Lacs)

Particulars	As at 31st March, 2019							As at 31st March, 2018							As at 1 April, 2017						
	Amortised cost	At Fair Value				Others*	Total	Amortised cost	At Fair Value				Others*	Total	Amortised cost	At Fair Value				Others*	Total
		Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal				Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal				Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal		
Investments																					
Mutual funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	10,000	-	10,000
Debt securities	29,590		67,804	-	67,804	-	97,394	9,590	-	52,486	-	52,486	-	62,076	-	-	90,869	-	90,869	-	90,869
Equity instruments	-	41,334	33,512	-	74,846	-	74,846	-	57,776	26,510	-	84,286	-	84,286	-	56,695	23,675	-	80,370	-	80,370
Subsidiaries	-	-	-	-	-	2,16,694	2,16,694	-	-	9,781	-	9,781	2,17,192	2,26,973	-	-	8,648	-	8,648	2,17,229	2,25,877
Associates	-	-	-	-	-	1,223	1,223	-	-	-	-	-	1,223	1,223	-	-	-	-	-	1,222	1,222
In Units of Trusts and Schemes of Venture Funds	-	35,561	-	-	35,561	-	35,561	-	38,839	-	-	38,839	-	38,839	-	38,578	-	-	38,578	-	38,578
Others (Deemed Investment)	-	-	-	-	-	121	121	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – Gross A	**29,590**	**76,895**	**1,01,316**	**-**	**1,78,211**	**2,18,038**	**4,25,839**	**9,590**	**96,615**	**88,777**	**-**	**1,85,392**	**2,18,415**	**4,13,397**	**-**	**95,273**	**1,33,192**	**-**	**2,28,465**	**2,18,451**	**4,46,916**
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	29,590	76,895	1,01,316	-	1,78,211	2,18,038	4,25,839	9,590	96,615	88,777	-	1,85,392	2,18,415	4,13,397	-	95,273	1,33,192	-	2,28,465	2,18,451	4,46,916
Total – B	**29,590**	**76,895**	**1,01,316**	**-**	**1,78,211**	**2,18,038**	**4,25,839**	**9,590**	**96,615**	**88,777**	**-**	**1,85,392**	**2,18,415**	**4,13,397**	**-**	**95,273**	**1,33,192**	**-**	**2,28,465**	**2,18,451**	**4,46,916**
Less: Impairment loss allowance (C)	(7,631)	-	-	-	-	-	(7,631)	(4,593)	-	-	-	-	-	(4,593)	-	-	-	-	-	-	-
Total – Net D =(A)-(C)	**21,959**	**76,895**	**1,01,316**	**-**	**1,78,211**	**2,18,038**	**4,18,208**	**4,997**	**96,615**	**88,777**	**-**	**1,85,392**	**2,18,415**	**4,08,804**	**-**	**95,273**	**1,33,192**	**-**	**2,28,465**	**2,18,451**	**4,46,916**

"* On transition to Ind AS, the Company has availed the exemption available under Ind AS 101 - 'First Time Adoption of Indian Accounting Standards' to use the Previous GAAP carrying value or fair value as on transition date as deemed cost to measure investments in subsidiaries and associates.

i) The aggregate amount of investments for which the Previous GAAP carrying amount is considered as deemed cost is ₹ 4,507 lacs.

ii) The aggregate amount of investment for which fair value as on transition date is considered as deemed cost is ₹ 2,13,687 lacs.

During the financial year ended 31st March, 2019 the Company sold its investment in Equity instruments that was classified at FVTOCI to meet its business objective. The fair value of the investment at the date of derecognition was ₹ 3,951 lacs (Previous year: ₹ 2,064 lacs). The cumulative loss on disposal was ₹ 1,282 lacs (Previous year: ₹ 216 lacs).

Notes to Financial Statements (Contd.)

7. Investments (Contd....)

Particulars	Quantity			₹ in Lacs		
	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Investments Carried at Cost						
Investments in Subsidiary Companies						
In Equity Instruments (Unquoted)						
Srei Capital Markets Limited	5050000	5050000	5050000	505	505	505
Srei Insurance Broking Private Limited	4900000	4900000	4900000	506	506	506
Srei Alternative Investment Managers Limited	250000	250000	250000	25	25	25
Controlla Electrotech Private Limited	35305	35305	35305	708	708	708
Srei Mutual Fund Asset Management Private Limited	18500000	16000000	16000000	1,850	1,600	1,600
Srei Mutual Fund Trust Private Limited	150000	150000	150000	15	15	15
Quippo Oil & Gas Infrastructure Limited	-	30000000	30000000	-	396	396
Quippo Energy Limited	-	1000000	1000000	-	248	248
Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	100000	100000	100000	10	10	10
Srei Equipment Finance Limited	59660000	59660000	59660000	2,13,043	2,13,043	2,13,043
Bengal Srei Infrastructure Development Limited	25500	25500	-	3	3	-
Srei Infrastructure Advisors Limited	-	-	500000	-	-	50
In Warrants (Unquoted)						
Srei Mutual Fund Trust Private Limited	300000	160000	110000	30	16	11
				2,16,695	**2,17,075**	**2,17,117**
Investments in Associate Companies						
In Equity Instruments (Unquoted)						
Sahaj e-Village Limited	10760000	10760000	10760000	1,076	1,076	1,076
Attivo Economic Zone (Mumbai) Private Limited	-	10000	10000	-	-	-
IIS International Infrastructure Services GmbH, Germany	**	**	**	-	-	-
				1,076	**1,076**	**1,076**
Other - Deemed Investment						
Sahaj e-Village Limited	-	-	-	147	147	146
Quippo Oil & Gas Infrastructure Limited	-	-	-	101	98	92
Quippo Energy Limited	-	-	-	20	20	20
				268	**265**	**258**
Investments Carried at Amortised Cost						
Investments in Debt Securities						
In Bond & Debentures (Quoted)						
7% Fortis Healthcare Holdings Private Ltd, 2018 (Net of Impairment loss allowance for ₹ 7,631 lacs (31st March, 2018: ₹ 4,593 lacs)	950	950	-	1,959	4,997	-
				1,959	**4,997**	
In Bond & Debentures (Unquoted)						
12.5% Attivo Economic Zone (Mumbai) Private Limited, 2020	200	-	-	20,000	-	-
				20,000	**-**	**-**
Investments Carried at Fair Value through Profit & Loss						
Investments in Subsidiary Companies						
In Preference Shares (Unquoted)						
Quippo Oil & Gas Infrastructure Limited 0.1% Redeemable Cumulative Optionally Convertible Preference Shares, 2025	-	14300000	14300000	-	6,811	6,022
Quippo Oil & Gas Infrastructure Limited 0.1% Redeemable Cumulative Optionally Convertible Preference Shares, 2026	-	6500000	6500000	-	2,970	2,626
				-	**9,781**	**8,648**

Notes to Financial Statements (Contd.)

Particulars	Quantity			₹ in Lacs		
	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Investments in Debt Securities						
In Non Convertible Debentures (Unquoted)						
Kitply Industries Limited	-	5440	5440	-	57	57
Kitply Industries Limited, Series A	-	100000	100000	-	83	83
Kitply Industries Limited, Series B	-	14500	14500	-	12	12
Kitply Industries Limited, Series C	-	5500	5500	-	5	5
Kitply Industries Limited, Series E	-	1452	1452	-	15	15
Kitply Industries Limited, Zero Coupon Debentures, Series I	-	7720	7720	-	81	81
Kitply Industries Limited, Zero Coupon Debentures, Series II	-	42680	42680	-	447	447
In Optionally Convertible Participating Interest Debentures (Unquoted)						
Guruvayoor Infrastructure Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	73102100	73102100	73102100	12,910	10,563	9,430
Swach Environment Private Limited 10% Optionally Convertible Participating Interest Debentures, 2028	-	40000000	-	-	4,000	-
Swach Environment Private Limited 12% Optionally Convertible Participating Interest Debentures, 2025	-	-	84000000	-	-	8,400
Mahakaleshwar Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	-	-	24198500	-	-	2,922
Mahakaleshwar Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2024	-	-	2460000	-	-	286
Mahakaleshwar Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2031	-	-	2718100	-	-	272
Solapur Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2023	-	-	34000000	-	-	4,245
Solapur Tollways Private Limited 12% Optionally Convertible Participating Interest Debentures, 2024	-	-	31820000	-	-	3,487
In Non Principal Protected Non Convertible Debentures (Unquoted)						
Assets Care & Reconstruction Enterprise Limited, 2023	6000	6000	6000	3,000	6,000	6,000
In Optionally Convertible Debentures (Unquoted)						
RW Media Private Limited, 2036	2500	2500	2500	630	598	546
Kurukshetra Expressway Private Limited, 2036	-	-	87959400	-	-	9,032
GMR Bannerghatta Properties Private Limited	24000000	-	-	2,540	-	-
Kothavalsa Infraventures Private Limited	24000000	-	-	2,540	-	-
Kirthi Timbers Private Limited	24000000	-	-	2,540	-	-
In Warrants (Unquoted)						
Solapur Tollways Private Limited	-	-	165920000	-	-	16,592
Ghaziabad Aligarh Expressway Private Limited	88081160	88081160	88081160	9,944	10,402	9,284
In Preference Shares (Unquoted)						
Quippo Energy Limited (Formerly Quippo Energy Private Limited) 0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019	-	2354	2354	-	-	-

Notes to Financial Statements (Contd.)

Particulars	Quantity			₹ in Lacs		
	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Quippo Infrastructure Limited (Formerly Quippo Construction Equipment Limited) 0.1% Non-convertible Cumulative Redeemable Preference Shares, 2019	-	9962	9962	-	-	-
Amalgam Steel Private Limited 0.1% Non-convertible Cumulative Redeemable Preference Shares, 2023	64460	-	-	48	-	-
Quippo Oil & Gas Infrastructure Limited 0.1% Redeemable Cumulative Optionally Convertible Preference Shares, 2025	14300000	-	-	7,705	-	-
Quippo Oil & Gas Infrastructure Limited 0.1% Redeemable Cumulative Optionally Convertible Preference Shares, 2026	6500000	-	-	3,572	-	-
In Compulsorily Convertible Debentures (Unquoted)						
Brace Iron & Steel Private Limited	1490	1490	1490	22,375	20,223	19,672
				67,804	**52,486**	**90,686**
Investments in Mutual Funds						
In Mutual Funds (Quoted)						
Unit Trust of India	400	400	400	-	-	-
Indiabulls Short-term Fund	-	-	707747	-	-	10,000
				-	-	**10,000**
Investments in Equity Instruments						
In Security Receipts (Unquoted)						
Security Receipts- UVARCL Trust III	3825000	3825000	3825000	27,968	26,510	23,402
In Equity Instruments (Quoted)						
Indian Metal & Ferro Alloys Limited	-	-	35580	-	-	273
GMR Infrastructure Limited	28000000	-	-	5,544	-	-
				33,512	**26,510**	**23,675**
Investments Carried at Fair Value through Other Comprehensive Income						
In Equity Instruments (Quoted)						
New Era Urban Amenities Limited	-	100	100	-	-	-
Alpic Finance Limited	-	100	100	-	-	-
Apple Finance Limited	-	100	100	-	-	-
Hotline Glass Limited	-	8116639	8116639	-	-	-
Kotak Mahindra Bank Limited	1000	1000	1000	13	10	9
Tata Steel Limited	4060	4060	3500	21	23	17
Bharat Road Network Limited	16630000	16630000	-	15,275	32,129	-
Orient Green Power Company Limited	10924302	10924302	-	459	983	-
Bala Techno Industries Limited	-	5000	5000	-	-	-
Sanghi Polyster Limited	-	2000	2000	-	-	-
IDBI Bank Limited	60000	60000	60000	28	43	45
Lakshmi Vilas Bank Limited	1510294	1510294	-	1,072	1,488	-
Ortel Communications Limited	10000	10000	10000	-	2	11
L.D.Textile Industries Limited	-	42000	42000	-	-	-
Shentracon Chemicals Limited	-	99400	99400	-	-	-
India Lead Limited	-	418668	418668	-	-	-
Mega Marketshare Resources Limited	-	6000	6000	-	-	-
PAAM Pharmaceuticals (Delhi) Limited	-	1210	1210	-	-	-
Standard Chrome Limited	-	300	300	-	-	-
Kanel Industries Limited	-	3100	3100	-	-	-
Kesoram Textile Mills Limited	-	20	20	-	-	-
NEPC Agro Foods Limited	-	1333	1333	-	-	-
SKIL Infrastructure Limited	-	17667000	17667000	-	4,885	3,463
NICCO Parks & Resorts Limited	134000	-	-	38	-	-
				16,906	**39,563**	**3,545**
In Equity Instruments (Unquoted)						
TN (DK) Expressways Limited (Pledged with Bank)	13000	13000	13000	1	1	1

Notes to Financial Statements (Contd.)

Particulars	Quantity			₹ in Lacs		
	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Madurai Tuticorin Expressways Limited (Pledged with Bank)	19500	19500	19500	2	2	2
Nagpur Seoni Expressway Limited (Pledged with Bank)	100	100	100	-	-	-
India Power Corporation Limited	959310000	959310000	959310000	7,935	7,566	8,051
Maharashtra Border Check Post Network Limited	-	2500	2500	-	-	-
Potin Pangin Highway Private Limited	5000	5000	5000	1	1	1
Suratgarh Bikaner Toll Road Company Private Limited	17750	17750	17750	2	2	2
Royal Infrasoft Private Limited	100000	100000	100000	10	10	10
New India Co-operative Bank Limited	573	573	573	-	-	-
Starlift Services Private Limited (Formerly ABG Kolkata Container Terminal Private Limited)	1200	1200	1200	-	-	-
Kamala Tea Co. Limited	25000	25000	25000	33	33	33
Kumar Builders Township Ventures Private Limited	-	-	4951000	-	-	1,961
Mahakaleshwar Tollways Private Limited	13270376	13270376	-	429	445	-
Essar Power Limited	219000000	219000000	219000000	14,750	9,132	8,037
Hindustan Wire Metal Products Private Limited	90000	-	-	-	-	-
SunFlag Commercial Private Limited	1640120	-	-	-	-	-
Electrosteel Steels Limited	6723710	-	-	641	-	-
Bharat Road Network Limited	-	-	16630000	-	-	34,092
In Warrants (Unquoted)						
Swach Environment Private Limited	15000000	15000000	15000000	623	1,020	960
Quippo Energy Limited	23540	-	-	-	-	-
Quippo Infrastructure Limited	99620	-	-	-	-	-
				24,427	**18,212**	**53,150**
In Units of Trusts and Schemes of Venture Funds (Unquoted)						
India Advantage Fund III	464913	811067	1132060	484	815	1,126
Infrastructure Project Development Capital	1102754	1102754	1102754	4,081	8,229	8,739
Infra Construction Fund	1880333	1880333	1880333	23,507	22,410	23,853
India Growth Opportunities Fund	3526949	3526949	3526949	4,049	3,564	3,655
Infra Advantage Fund	218000	218000	218000	218	261	215
Make In India Fund	1000000	1000000	1000000	463	931	991
Vision India Fund	5000000	5000000	-	2,759	2,629	-
				35,561	**38,839**	**38,579**
Total				**4,18,208**	**4,08,804**	**4,46,916**

**There is no system of issuance of distinctive shares in the country of registration. The Company has filed its application for liquidation on 17th September, 2018.

All quoted and unquoted investments mentioned above all fully paid-up.

During the year dividend income has been recognised for ₹ 84 lacs (Previous year ₹ 83 lacs) on equity instruments categorised as measured at fair value through other comprehensive income.

Notes to Financial Statements (Contd.)

8. Other Financial Assets

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Interest accrued but not due	15,006	16,596	20,296
Income accrued but not due	229	768	468
Loans to employees	40	40	1
Security deposits			
To Related Parties	-	703	630
To Others	18,670	20,250	20,084
Total	**33,945**	**38,357**	**41,479**

9. Other Non-Financial Assets

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Capital Advances	527	58	549
Employee Advances	85	87	109
Advance to Vendors for Operating Expenses	2,906	2,168	1,196
Advance to Related Parties	-	253	-
Advance Rent	6,104	6,817	8,425
Balances with Government Authorities	83	142	99
Assets acquired in satisfaction of debt	22,785	1,29,257	42,699
Other Receivables *	27,023	-	-
Prepaid expenses	420	477	556
Total	**59,933**	**1,39,259**	**53,633**

* represents receivables assigned in favor of the Company in satisfaction of debt and the said amount is the subject matter of arbitration proceedings.

10. Current Tax Assets (Net)

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Advance Tax [(net of provision for tax ₹ 29,497 lacs (31 March, 2018: ₹ 29,497 lacs, 1 April, 2017: ₹ 22,271 lacs)]	13,749	13,034	16,029
Total	**13,749**	**13,034**	**16,029**

The reconciliation of estimated income tax to income tax expense is as below:

(₹ in Lacs)

Particulars	18-19	17-18
Profit before tax	**12,261**	**12,828**
Statutory Income Tax Rate	34.944%	34.608%
Expected income tax expense at statutory income tax rate	4,284	4,440
(i) Income exempt from tax/Items not deductible (net)	496	(440)
(ii) Effect of indexation benefit / different tax rate on certain items	(1,986)	74
(iii) Other differences	-	(288)
Total Tax Expense recognised in profit and loss account	**2,794**	**3,786**
Total Tax Expense recognised in Other Comprehensive Income	(3,854)	(825)

Notes to Financial Statements (Contd.)

11. Deferred Tax Assets / (Deferred Tax Liability) (Net)

(₹ in Lacs)

Particulars	As at 1st April, 2018	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	As at 31st March, 2019
MAT Credit Entitlement	1,106	-	-	1,106
Financial Assets and Liabilities at FVTPL	1,157	(583)	-	574
Receivables, Financial Assets and Liabilities at Amortised Cost	47,343	(17,849)	-	29,494
Unrealised gain on Investment carried at Fair Value	(40,193)	(6,665)	3,842	(43,016)
Carried Forward of Losses & Unabsorbed Depreciation	-	22,968	-	22,968
Property, Plant and Equipment and Intangible Assets	(10,900)	1,945	-	(8,955)
Other Timing Differences	2,159	(2,610)	12	(439)
Net Deferred Tax Assets/(Liabilities)	**672**	**(2,794)**	**3,854**	**1,731**

(₹ in Lacs)

Particulars	As at 1st April, 2017	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	As at 31st March, 2018
MAT Credit Entitlement	1,106	-	-	1,106
Financial Assets and Liabilities at FVTPL	2,517	(1,360)	-	1,157
Receivables, Financial Assets and Liabilities at Amortised Cost	44,940	2,403	-	47,343
Unrealised gain on Investment carried at Fair Value	(42,058)	990	875	(40,193)
Property, Plant and Equipment and Intangible Assets	(11,323)	423	-	(10,900)
Other Timing Differences	1,225	984	(50)	2,159
Net Deferred Tax Assets/(Liabilities)	**(3,593)**	**3,440**	**825**	**672**

Notes to Financial Statements (Contd.)

12. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Assets for Own use										
Buildings[1]	14,674	-	-	14,674	305	305	-	-	610	14,064
Plant and Machinery	99	-	-	99	10	10	-	-	20	79
Furniture and Fixtures	3,585	78	-	3,663	499	512	-	-	1,011	2,652
Motor Vehicles	62	-	7	55	16	14	-	3	27	28
Computers	61	8	-	69	24	20	-	-	44	25
Office Equipments	542	18	-	560	213	152	-	-	365	195
Leasehold Improvements	4,257	56	-	4,313	858	846	-	-	1,704	2,609
(A)	**23,280**	**160**	**7**	**23,433**	**1,925**	**1,859**	**-**	**3**	**3,781**	**19,652**
Assets given on operating lease										
Plant and Machinery	42,548	250	7,586	35,212	3,229	2,578	-	843	4,964	30,248
(B)	**42,548**	**250**	**7,586**	**35,212**	**3,229**	**2,578**	**-**	**843**	**4,964**	**30,248**
Total (C)= (A+B)	**65,828**	**410**	**7,593**	**58,645**	**5,154**	**4,437**	**-**	**846**	**8,745**	**49,900**

13. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Assets for Own use										
Software	172	-	-	172	71	67	-	-	138	34
Total	**172**	**-**	**-**	**172**	**71**	**67**	**-**	**-**	**138**	**34**

[1] Building includes ₹ 8,792.72 Lacs in respect of which conveyance is pending.

Notes to Financial Statements (Contd.)

12. Property, Plant and Equipment (Contd....)

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at 1st April, 2017	Depreciation/ amortization Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2018 "	As at 31st March, 2018
Assets for Own use										
Buildings[1]	14,674	-	-	14,674	-	305	-	-	305	14,369
Plant and Machinery	99	-	-	99	-	10	-	-	10	89
Furniture and Fixtures	3,164	437	16	3,585	-	501	-	2	499	3,086
Motor Vehicles	70	-	8	62	-	17	-	1	16	46
Computers	49	12	-	61	-	24	-	-	24	37
Office Equipments	501	41	-	542	-	213	-	-	213	329
Leasehold Improvements	3,872	389	4	4,257	-	859	-	1	858	3,399
(A)	**22,429**	**879**	**28**	**23,280**	**-**	**1,929**	**-**	**4**	**1,925**	**21,355**
Assets given on Operating Lease										
Plant and Machinery	40,986	2,048	486	42,548	-	3,328	-	99	3,229	39,319
(B)	**40,986**	**2,048**	**486**	**42,548**	**-**	**3,328**	**-**	**99**	**3,229**	**39,319**
Total (C)= (A+B)	**63,415**	**2,927**	**514**	**65,828**	**-**	**5,257**	**-**	**103**	**5,154**	**60,674**

13. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at 1st April, 2017	Deprecation/ amortization Charge	Impairment charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Assets for Own use										
Software	166	6	-	172	-	71	-	-	71	101
Total	**166**	**6**	**-**	**172**	**-**	**71**	**-**	**-**	**71**	**101**

[1] Building includes ₹ 8,792.72 Lacs in respect of which conveyance is pending.

The Company has used the Previous GAAP carrying value as deemed cost to measure the items of Property, Plant and Equipment as on the date of transition i.e. 1st April, 2017 (Gross Block less: Accumulated Depreciation and Amortisation, as on 1st April, 2017).

Notes to Financial Statements (Contd.)

14. Trade Payables

(a) Total outstanding dues of micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.	-	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
d) The amount of interest accrued and remaining unpaid	-	-	-
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
Total	**-**	**-**	**-**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(b) Total outstanding dues of creditors other than micro enterprises and small enterprises

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
For Services	1,213	263	232
Acceptances	-	79,916	91,953
Operating Lease	107	177	311
Total	**1,320**	**80,356**	**92,496**

Notes to Financial Statements (Contd.)

15. Debt Securities

(₹ in Lacs)

Particulars	As at 31st March, 2019				As at 31st March, 2018				As at 1st April, 2017			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
Non-Convertible Debentures (refer Note No. 15.1)	1,48,102	-	-	1,48,102	1,89,766	-	-	1,89,766	2,00,436	-	-	2,00,436
Long-Term Infrastructure Bonds (refer Note No. 15.2)	2,022	-	-	2,022	2,022	-	-	2,022	2,040	-	-	2,040
Total	**1,50,124**	**-**	**-**	**1,50,124**	**1,91,788**	**-**	**-**	**1,91,788**	**2,02,476**	**-**	**-**	**2,02,476**
Debt securities in India	1,50,124	-	-	1,50,124	1,91,788	-	-	1,91,788	2,02,476	-	-	2,02,476
Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1,50,124**	**-**	**-**	**1,50,124**	**1,91,788**	**-**	**-**	**1,91,788**	**2,02,476**	**-**	**-**	**2,02,476**

Notes to Financial Statements (Contd.)

16. Borrowings (Other than Debt Securities)

(₹ in Lacs)

Particulars	As at 31st March, 2019				As at 31st March, 2018				As at 1st April, 2017			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
(a) Term Loans												
Secured												
From Banks												
- Rupee Loans (refer Note No. 16.1)	1,55,175	-	-	1,55,175	1,79,843	-	-	1,79,843	2,16,759	-	-	2,16,759
- Foreign Currency Loans (refer Note No. 16.1)	13,876	-	-	13,876	18,333	-	-	18,333	30,640	-	-	30,640
From Financial Institutions												
- Rupee Loans (refer Note No. 16.1)	21,387	-	-	21,387	22,485	-	-	22,485	-	-	-	-
- Foreign Currency Loans (refer Note No. 16.1)	-	-	-	-	4,348	-	-	4,348	14,978	-	-	14,978
- Working Capital Facilities	6,00,753	-	-	6,00,753	1,73,563	-	-	1,73,563	90,439	-	-	90,439
- Buyer's Credit (Foreign Currency loans)	-	-	-	-		-	-	-	490	-	-	490
Unsecured												
From Banks												
- Foreign Currency Loans (refer Note No. 16.1)	20,783	-	-	20,783	19,559	-	-	19,559	19,427	-	-	19,427
From Financial Institutions												
- Foreign Currency Loans (refer Note No. 16.1)	8,616	-	-	8,616	9,972	-	-	9,972	8,998	-	-	8,998
Commercial Papers												
- From Others	51,192	-	-	51,192	79,483	-	-	79,483	37,451	-	-	37,451
(b) Loans repayable on demand												
Secured												
- Working Capital Facilities	62,500	-	-	62,500	5,81,500	-	-	5,81,500	5,73,800	-	-	5,73,800
Unsecured												
Inter Corporate Deposits	1,903	-	-	1,903	1,058	-	-	1,058	1,272	-	-	1,272
Total	**9,36,185**	**-**	**-**	**9,36,185**	**10,90,144**	**-**	**-**	**10,90,144**	**9,94,254**	**-**	**-**	**9,94,254**
Borrowings in India	8,92,910	-	-	8,92,910	10,37,932	-	-	10,37,932	9,19,721	-	-	9,19,721
Borrowings outside India	43,275	-	-	43,275	52,212	-	-	52,212	74,533	-	-	74,533
Total	**9,36,185**	**-**	**-**	**9,36,185**	**10,90,144**		**-**	**10,90,144**	**9,94,254**		**-**	**9,94,254**

i. Working capital facilities from banks, including working capital demand loans earmarked against such facilities, are secured by hypothecation of underlying assets (short-term as well as long-term loan assets) covered by hypothecation loan and operating lease agreements with customers and receivables arising therefrom, ranking pari passu (excluding assets specifically charged to others). As per the prevalent practice, these facilities are renewed on a year-to-year basis and therefore, are revolving in nature.

ii. Face value of Commercial Paper outstanding as at 31 March, 2019 is ₹ 51,950 Lacs (as at March 31, 2018 ₹ 81,910 Lacs, as at April 1, 2017 ₹ 38,410 Lacs). Face value of maximum outstanding at any time during the year was ₹ 1,29,605 Lacs (As at March 31,2018 ₹ 1,39,830 Lacs, As at April 1, 2017 ₹ 1,22,940 Lacs). Face value of Commercial Paper repayable within one year is ₹ 51,950 Lacs (As at March 31, 2018 ₹ 81,910 Lacs, as at April 1, 2017 ₹ 38,410 Lacs).

iii. The above foreign currency buyer's credit from banks are repayable by bullet payment and have tenure of upto 1 year. These loans are secured by import documents covering title to capital goods and extension of pari passu charge towards working capital facilities.

Notes to Financial Statements (Contd.)

17. Subordinated Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2019				As at 31st March, 2018				As at 1st April, 2017			
	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit and loss	Designated at fair value through profit or loss	Total
Subordinated Perpetual bonds/debentures (Tier I Capital) (refer Note No. 17.1)	32,000	-	-	32,000	-	-	-	-	-	-	-	-
Subordinated bonds/debentures (Tier II Capital) (refer Note No. 17.2)	94,383	-	-	94,383	1,01,485	-	-	1,01,485	1,06,721	-	-	1,06,721
Subordinated Deposits - Unsecured (refer Note No. 17.3)	5,000	-	-	5,000	-	-	-	-	-	-	-	-
Subordinated Loans - Unsecured (refer Note No.17.3)	9,895	-	-	9,895	9,868	-	-	9,868	9,844	-	-	9,844
Total	**1,41,278**	**-**	**-**	**1,41,278**	**1,11,353**	**-**	**-**	**1,11,353**	**1,16,565**	**-**	**-**	**1,16,565**
Subordinated Liabilities in India	1,41,278	-	-	1,41,278	1,11,353	-	-	1,11,353	1,16,565	-	-	1,16,565
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1,41,278**	**-**	**-**	**1,41,278**	**1,11,353**	**-**	**-**	**1,11,353**	**1,16,565**	**-**	**-**	**1,16,565**

Notes to Financial Statements (Contd.)

15.1 Non-Convertible Debentures

As at 31st March, 2019 (₹ in Lacs)

Rate of Interest	Maturity Profile*						Total
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	
8.43[10]	-	-	-	-	2,235	-	2,235
8.50[1]	-	-	-	-	-	1,009	1,009
8.54[4]	-	-	-	-	-	2,857	2,857
8.65[10]	-	-	3,686	-	-	-	3,686
8.75[10]	-	-	-	-	5,966	-	5,966
8.77[4 & 10]	-	-	-	-	3,080	-	3,080
8.88[10]	-	-	-	-	-	1,916	1,916
9.00[10]	-	-	9,015	-	-	-	9,015
9.01[4 & 10]	-	-	3,128	-	-	-	3,128
9.12[10]	-	-	-	4,032	-	-	4,032
9.25[10]	-	-	-	-	-	10,682	10,682
9.25[4 & 10]	-	-	-	-	-	1,818	1,818
9.35[1]	-	-	-	-	-	1,497	1,497
9.50[10]	-	-	-	11,435	-	-	11,435
9.50[4 & 10]	-	-	-	2,079	-	-	2,079
9.60[1]	-	-	-	4,469	-	-	4,469
9.75[1]	-	-	-	-	-	6,165	6,165
9.75[4]	-	-	-	-	-	1,288	1,288
9.84[3]	-	-	-	-	-	46	46
9.92[3]	-	-	-	-	-	10	10
10.00[1]	-	-	-	8,648	-	-	8,648
10.00[4]	-	-	-	2,468	-	-	2,468
10.05[1]	1,900	-	-	-	-	-	1,900
10.25[1]	-	-	-	-	-	6,300	6,300
10.25[8]	-	-	-	-	2,905	-	2,905
10.25[4]	-	-	-	-	-	150	150
10.30[3]	-	-	-	-	-	1,121	1,121
10.41[5]	-	-	-	-	-	51	51
10.72[1]	-	-	-	-	-	1	1
10.75[1]	-	-	-	-	177	-	177
10.75[8]	-	-	-	-	4,679	-	4,679
10.95[1]	-	-	-	-	-	56	56
11.00[4 & 9]	-	-	-	-	1,073	-	1,073
11.10[1]	-	450	-	-	-	-	450
11.17[7]	-	-	-	-	-	2,862	2,862
11.24[4]	-	-	-	-	-	809	809
11.25[1]	-	-	-	-	-	4,211	4,211
11.35[1]	-	-	2,000	-	-	1,500	3,500
11.40[1]	1,000	-	130	-	-	-	1,130
11.40[2]	-	-	70	-	-	-	70
11.40[6]	-	-	-	-	-	757	757

Notes to Financial Statements (Contd.)

Rate of Interest	Maturity Profile*						Total
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	
11.45[1]	-	-	-	-	-	200	200
11.50[1]	-	-	110	-	-	4,015	4,125
11.55[1]	-	-	-	-	-	140	140
11.72[4]	-	-	-	-	-	881	881
11.75[7]	-	-	-	-	-	13,149	13,149
11.75[4&7]	-	-	-	-	-	1,165	1,165
11.90[1]	-	-	-	4,000	-	-	4,000
12.00[4&6]	-	-	-	-	-	533	533
12.00[6]	-	-	-	-	-	5,626	5,626
Total	**2,900**	**450**	**18,139**	**37,131**	**20,115**	**70,815**	**1,49,550**

* Does not include effective interest rate adjustment in accordance with IndAS 109 for ₹ 1,448 lacs.

[1] Secured against Receivables/Assets of the Company and mortgage of immovable property.

[2] Secured against Mortgage of immovable property.

[3] Secured against Receivables/Assets of the Company and mortgage of immovable property. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.

[4] Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.

[5] Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.

[6] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by investors on the relevant record date of interest payment.

[7] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/ or are equity shareholder(s) of Company and/ or senior citizens on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

[8] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category shall be eligible for additional coupon rate of 0.25% p.a. Further, investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

[9] Secured against Receivables/Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

Notes to Financial Statements (Contd.)

[10] Secured against Receivables/Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company and Srei Equipment Finance Limited, in past public issues and/ or are equity shareholder(s) of the Company and/or are Senior Citizens and/or are Employees of Srei Group (the Company and all its subsidiaries, sub-subsidiaries, associates and group companies), on date of allotment, shall be eligible for additional coupon of 0.25% p.a. provided the proposed NCDs are held by the Investors on the relevant record date of interest payment.

Funds raised ₹ NIL for the year ended 31st March 19.

All the above debentures are redeemable at par.

As at 31st March, 2018 (₹ in Lacs)

Rate of Interest	Maturity Profile*							Total
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	
8.43[11]	-	-	-	-	2,235	-	-	2,235
8.50[1]	-	-	-	-	-	1,009	660	1,669
8.54[4]	-	-	-	-	-	2,857	895	3,752
8.65[11]	-	-	3,686	-	-	-	-	3,686
8.75[11]	-	-	-	-	5,966	-	-	5,966
8.77[4 & 11]	-	-	-	-	3,080	-	-	3,080
8.88[11]	-	-	-	-	-	1,916	-	1,916
9.00[11]	-	-	9,015	-	-	-	-	9,015
9.01[4 & 11]	-	-	3,128	-	-	-	-	3,128
9.12[11]	-	-	-	4,032	-	-	-	4,032
9.25[11]	-	-	-	-	-	10,682	-	10,682
9.25[4 & 11]	-	-	-	-	-	1,818	-	1,818
9.35[1]	-	-	-	-	-	1,497	-	1,497
9.50[11]	-	-	-	11,435	-	-	-	11,435
9.50[4 & 11]	-	-	-	2,079	-	-	-	2,079
9.60[1]	-	-	-	4,469	-	-	-	4,469
9.75[1]	-	-	-	-	-	6,165	-	6,165
9.75[4]	-	-	-	-	-	1,288	-	1,288
9.84[3]	-	-	-	-	-	46	-	46
9.92[3]	-	-	-	-	-	10	-	10
10.00[1]	-	-	-	8,648	-	-	6	8,654
10.00[9]	-	-	-	-	-	-	1,863	1,863
10.00[4]	-	-	-	2,468	-	-	-	2,468
10.05[1]	1,900	-	-	-	-	-	-	1,900
10.25[1]	-	-	-	-	-	6,300	-	6,300
10.25[9]	-	-	-	-	2,905	-	-	2,905
10.25[4]	-	-	-	-	-	150	-	150
10.30[3]	-	-	-	-	-	1,121	-	1,121
10.41[5]	-	-	-	-	-	52	-	52
10.50[1]	-	-	-	-	-	-	472	472
10.50[9]	-	-	-	-	-	-	3,794	3,794
10.72[1]	-	-	-	-	-	1	-	1
10.75[1]	-	-	-	-	177	-	-	177
10.75[9]	-	-	-	-	4,679	-	-	4,679

Notes to Financial Statements (Contd.)

Rate of Interest	Maturity Profile*							Total
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	
10.77[4&10]	-	-	-	-	-	-	1,385	1,385
10.85[1]	-	-	-	-	-	-	332	332
10.94[1]	-	-	-	-	-	-	30	30
10.95[1]	-	-	-	-	-	56	-	56
11.00[1]	-	-	-	-	-	-	21,426	21,426
11.00[4]	-	-	-	-	-	-	155	155
11.00[4&10]	-	-	-	-	1,073	-	-	1,073
11.10[1]	-	450	-	-	-	-	-	450
11.16[1]	-	-	-	-	-	-	1,497	1,497
11.16[7]	-	-	-	-	-	-	1,732	1,732
11.17[8]	-	-	-	-	-	2,862	-	2,862
11.24[4]	-	-	-	-	-	809	-	809
11.25[1]	-	-	-	-	-	4,211	-	4,211
11.35[1]	-	-	2,000	-	-	1,500	-	3,500
11.40[1]	1,000	-	130	-	-	-	-	1,130
11.40[2]	-	-	70	-	-	-	-	70
11.40[7]	-	-	-	-	-	757	-	757
11.45[1]	-	-	-	-	-	200	-	200
11.50[1]	-	-	110	-	-	4,015	4,633	8,758
11.55[1]	-	-	-	-	-	140	-	140
11.72[4]	-	-	-	-	-	881	-	881
11.75[1]	-	-	-	-	-	-	1,515	1,515
11.75[8]	-	-	-	-	-	13,149	-	13,149
11.75[4 & 8]	-	-	-	-	-	1,165	-	1,165
11.75[7]	-	-	-	-	-	-	1,115	1,115
11.90[1]	-	-	-	4,000	-	-	-	4,000
12.00[4&7]	-	-	-	-	-	532	-	532
12.00[7]	-	-	-	-	-	5,626	-	5,626
12.50[6]	-	-	-	-	-	-	287	287
Total	**2,900**	**450**	**18,139**	**37,131**	**20,115**	**70,815**	**41,797**	**1,91,347**

* Does not include effective interest rate adjustment in accordance with IndAS 109 for ₹ 1,581 lacs.

[1] Secured against Receivables/Assets of the Company and mortgage of immovable property.

[2] Secured against Mortgage of immovable property.

[3] Secured against Receivables/Assets of the Company and mortgage of immovable property. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017

[4] Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.

[5] Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.

[6] Secured against Receivables/Assets of the Company and mortgage of immovable property. As interest rate during the

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tenor of bond is different i.e. Year 1:12.50% Year 2:12% Year 3:11.50% Year 4:11.25% Year 5:11.25%, interest rate for 1st year considered for disclosure.

[7] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by investors on the relevant record date of interest payment.

[8] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/ or are equity shareholder(s) of Company and/ or senior citizens on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

[9] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category shall be eligible for additional coupon rate of 0.25% p.a. Further, investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

[10] Secured against Receivables/Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

[11] Secured against Receivables/Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company and Srei Equipment Finance Limited, in past public issues and/ or are equity shareholder(s) of the Company and/or are Senior Citizens and/or are Employees of Srei Group (the Company and all its subsidiaries, sub-subsidiaries, associates and group companies), on date of allotment, shall be eligible for additional coupon of 0.25% p.a. provided the proposed NCDs are held by the Investors on the relevant record date of interest payment.

Funds raised ₹ 30,976 Lacs (Previous year ₹ 62,854 Lacs) through public issue of Secured, Redeemable Non-Convertible Debentures have been utilised for the purposes as per the terms of the issue.

All the above debentures are redeemable at par.

As at 1st April, 2017 (₹ in Lacs)

Rate of Interest	Maturity Profile*								Total
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	
8.50[1]	-	-	-	-	-	-	660	-	660
8.54[4]	-	-	-	-	-	-	895	-	895
8.88[13]	-	-	-	-	-	1,916	-	-	1,916
9.08[4]	-	-	-	-	-	-	-	4,802	4,802
9.12[13]	-	-	-	4,032	-	-	-	-	4,032
9.25[13]	-	-	-	-	-	10,682	-	-	10,682
9.25[4 & 13]	-	-	-	-	-	1,818	-	-	1,818
9.35[1]	-	-	-	-	-	1,497	-	-	1,497
9.50[13]	-	-	-	11,435	-	-	-	-	11,435
9.50[4 & 13]	-	-	-	2,079	-	-	-	-	2,079
9.60[1]	-	-	-	4,469	-	-	-	-	4,469

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Rate of Interest	Maturity Profile*								Total
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	
9.75[1]	-	-	-	-	-	6,165	-	-	6,165
9.75[4]	-	-	-	-	-	1,288	-	-	1,288
9.84[3]	-	-	-	-	-	-	-	46	46
9.92[3]	-	-	-	-	-	-	-	10	10
10.00[11]	-	-	-	-	-	-	1,863	-	1,863
10.00[1]	-	-	-	8,648	-	-	6	-	8,654
10.00[4]	-	-	-	2,468	-	-	-	-	2,468
10.05[1]	1,900	-	-	-	-	-	-	-	1,900
10.25[1]	-	-	-	-	-	6,300	-	-	6,300
10.25[11]	-	-	-	-	2,905	-	-	-	2,905
10.25[4]	-	-	-	-	-	150	-	-	150
10.30[3]	-	-	-	-	-	-	-	1,121	1,121
10.41[5]	-	-	-	-	-	-	-	52	52
10.50[1]	-	-	-	-	-	-	472	26	498
10.50[11]	-	-	-	-	-	-	3,794	-	3,794
10.70[1]	-	-	-	-	-	-	-	209	209
10.72[1]	-	-	-	-	-	1	-	-	1
10.75[1]	-	-	-	-	177	-	-	-	177
10.75[11]	-	-	-	-	4,679	-	-	-	4,679
10.77[4 & 12]	-	-	-	-	-	-	1,385	-	1,385
10.85[1]	-	-	-	-	-	-	332	-	332
10.90[8]	-	-	-	-	-	-	-	100	100
10.94[1]	-	-	-	-	-	-	30	-	30
10.95[1]	-	-	-	-	-	56	-	-	56
10.95[10]	-	-	-	-	-	-	-	2,303	2,303
11.00[1]	-	-	-	-	-	-	21,426	1,432	22,858
11.00[4]	-	-	-	-	-	-	155	10	165
11.00[4 & 12]	-	-	-	-	1,073	-	-	-	1,073
11.10[1]	-	450	-	-	-	-	-	-	450
11.16[1]	-	-	-	-	-	-	1,497	-	1,497
11.16[9]	-	-	-	-	-	-	1,732	-	1,732
11.17[10]	-	-	-	-	-	2,862	-	-	2,862
11.24[4]	-	-	-	-	-	809	-	-	809
11.25[1]	-	-	-	-	-	4,211	-	317	4,528
11.25[6]	-	-	-	-	-	-	-	1,500	1,500
11.30[1]	-	-	-	-	-	-	-	12,770	12,770
11.30[2]	-	-	-	-	-	-	-	2,000	2,000
11.35[1]	-	-	2,000	-	-	1,500	-	1,500	5,000
11.40[1]	1,000	-	130	-	-	-	-	610	1,740
11.40[2]	-	-	70	-	-	-	-	-	70
11.40[9]	-	-	-	-	-	757	-	1,620	2,377
11.45[1]	-	-	-	-	-	200	-	-	200

Notes to Financial Statements (Contd.)

Rate of Interest	Maturity Profile*								Total
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	
11.48[1]	-	-	-	-	-	-	-	170	170
11.50[1]	-	-	110	-	-	4,015	4,633	-	8,758
11.50[10]	-	-	-	-	-	-	-	3,470	3,470
11.50[2]	-	-	-	-	-	-	-	2,500	2,500
11.51[4 & 10]	-	-	-	-	-	-	-	890	890
11.55[1]	-	-	-	-	-	140	-	2,000	2,140
11.72[4]	-	-	-	-	-	881	-	-	881
11.75[1]	-	-	-	-	-	-	1,515	-	1,515
11.75[10]	-	-	-	-	-	13,149	-	-	13,149
11.75[4 & 10]	-	-	-	-	-	1,165	-	-	1,165
11.75[9]	-	-	-	-	-	-	1,115	-	1,115
11.90[1]	-	-	-	4,000	-	-	-	-	4,000
12.00[4 & 9]	-	-	-	-	-	532	-	1,073	1,605
12.00[9]	-	-	-	-	-	5,626	-	2,796	8,422
12.50[7]	-	-	-	-	-	-	287	-	287
Total	**2,900**	**450**	**2,310**	**37,131**	**8,834**	**65,720**	**41,797**	**43,327**	**2,02,469**

* Does not include effective interest rate adjustment in accordance with IndAS 109 for ₹ 2,033 lacs.

[1] Secured against Receivables/Assets of the Company and mortgage of immovable property.

[2] Secured against Mortgage of immovable property.

[3] Secured against Receivables/Assets of the Company and mortgage of immovable property. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017

[4] Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.

[5] Secured against Receivables/Assets of the Company and mortgage of immovable property. Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest. NCD's have an overall tenure of 7 years and having put/ call option at the end of 5 years i.e. on 05-11-2017.

[6] Secured against Mortgage of immovable property. NCD's have an overall tenure of 5 years and having put/ call option at the end of 3 years i.e. on 08-06-2015.

[7] Secured against Receivables/Assets of the Company and mortgage of immovable property. As interest rate during the tenor of bond is different i.e. Year 1:12.50% Year 2:12% Year 3:11.50% Year 4:11.25% Year 5:11.25%, interest rate for 1st year considered for disclosure.

[8] Secured against Receivables/Assets of the Company.

[9] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by investors on the relevant record date of interest payment.

[10] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/ or are equity shareholder(s) of Company and/ or senior citizens on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

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[11] Secured against Receivables/Assets of the Company and mortgage of immovable property. In case investor fall under individual category shall be eligible for additional coupon rate of 0.25% p.a. Further, investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

[12] Secured against Receivables/Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company in past public issues and/or are equity shareholder(s) of Company and/ or senior citizens and/or employees of Company on the date of allotment, shall be eligible for additional coupon rate of 0.25% p.a. provided the NCD(s)/Bond(s) are held by the investors on the relevant record date of interest payment.

[13] Secured against Receivables/Assets of the Company and mortgage of immovable property. Investor who are individual and who are holder of NCD(s)/Bond(s) previously issued by the Company and Srei Equipment Finance Limited, in past public issues and/ or are equity shareholder(s) of the Company and/or are Senior Citizens and/or are Employees of Srei Group (the Company and all its subsidiaries, sub-subsidiaries, associates and group companies), on date of allotment, shall be eligible for additional coupon of 0.25% p.a. provided the proposed NCDs are held by the Investors on the relevant record date of interest payment.

All the above debentures are redeemable at par.

15.2 Long-Term Infrastructure Bonds – Secured, Redeemable, Non-convertible Debentures

During the financial year 2011-12, the Company had raised fund through Public issue of Long-Term Infrastructure Bonds in the nature of Secured, Redeemable Non-Convertible Debentures, eligible for deduction under section 80 CCF of the Income-Tax Act, 1961. Fund raised has been utilised for the purposes of infrastructure lending as per terms in the year of the issue.

Maturity profile and rate of interest of these Bonds are as set out below:

(₹ in Lacs)

Rate of Interest	Maturity Profile As at 31st March, 2019			Maturity Profile As at 31st March, 2018			Maturity Profile As at 1st April, 2017		
	2026-27	2021-22	Total	2026-27	2021-22	Total	2026-27	2021-22	Total
8.90%	-	1,055	1,055	-	1,055	1,055	-	1,067	1,067
9.15%	967	-	967	967	-	967	973	-	973
Total	**967**	**1,055**	**2,022**	**967**	**1,055**	**2,022**	**973**	**1,067**	**2,040**

Bonds with interest rate of 8.90% have an overall tenure of 10 years and those with 9.15%, 15 years. Buyback option was available for all bonds at the end of 5 years i.e. on 22.03.2017. Bonds are secured by exclusive charge on specific receivables of the Company & pari-passu mortgage/charge on immovable property.

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16.1 Term Loans

Secured

As at 31st March, 2019 (₹ in Lacs)

Particular	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Rupee Loans[2]	-	16,812	73,250	65,259	1,55,321	MCLR/Base Rate + 00bps to 155bps
From Banks - Foreign Currency Loans[3]	1,940	3,881	3,881	4,269	13,971	Euribor + 295bps to 350bps
From Financial Institutions - Rupee Loans[4]	-	7,875	9,000	4,500	21,375	MCLR/Base Rate + 5bps
Total	**1,940**	**28,568**	**86,131**	**74,028**	**1,90,667**	

As at 31st March, 2018 (₹ in Lacs)

Particular	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Rupee Loans[2]	-	26,853	86,468	66,793	1,80,114	MCLR/Base Rate + 00bps to 210bps
From Banks - Foreign Currency Loans[3]	4,010	4,011	6,416	4,035	18,472	Libor/Euribor + 295bps to 350bps
From Financial Institutions - Rupee Loans[4]	3,375	9,000	9,000	1,125	22,500	Base Rate + 5bps
From Financial Institutions - Foreign Currency Loans[1&5]	-	-	-	4,345	4,345	Libor+ 410bps
Total	**7,385**	**39,864**	**1,01,884**	**76,298**	**2,25,431**	

As at 1st April, 2017 (₹ in Lacs)

Particular	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Rupee Loans[2]	3,437	33,625	1,07,557	72,691	2,17,310	MCLR/Base Rate + 00bps to 200bps
From Banks - Foreign Currency Loans[3]	5,179	3,452	7,491	14,716	30,838	Libor/Euribor + 295bps to 350bps
From Financial Institutions - Foreign Currency Loans[1&5]	-	-	4,323	10,639	14,962	Libor+ 115bps to 410bps
Total	**8,616**	**37,077**	**1,19,371**	**98,046**	**2,63,110**	

The above Term Loans are secured by charge on specific assets covered by loan / lease agreements with customers and / or receivables arising therefrom.

[1]Includes loans of ₹ Nil (31st March 2018: Nil, 1st April, 2017: ₹ 2,425 Lacs) guaranteed by Export Import Bank of the United States.

[2]Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 146 lacs (31st March, 2018: ₹ 271 lacs, 1st April, 2017 : ₹ 551 lacs).

[3]Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 95 lacs (31st March, 2018: ₹ 139 lacs, 1st April, 2017 : ₹ 198 lacs).

[4]Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ (12) lacs (31st March, 2018: ₹ 15 lacs, 1st April, 2017 : ₹ Nil).

[5]Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ Nil (31st March, 2018: ₹ (4) lacs, 1st April, 2017 : ₹ (16) lacs).

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Unsecured

As at 31st March, 2019 (₹ in Lacs)

Particulars	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Foreign Currency Loans[1]	17,011	3,734	-	-	20,745	Libor + 350bps
From Financial Institutions - Foreign Currency Loans[2]	3,583	2,048	2,047	1,024	8,702	Euribor + 33bps
Total	**20,594**	**5,782**	**2,047**	**1,024**	**29,447**	

As at 31st March, 2018 (₹ in Lacs)

Particulars	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Foreign Currency Loans[1]	17,791	1,760	-	-	19,551	Libor + 350bps
From Financial Institutions - Foreign Currency Loans[2]	4,760	2,116	2,116	1,058	10,050	Euribor + 33bps
Total	**22,551**	**3,876**	**2,116**	**1,058**	**29,601**	

As at 1st April, 2017 (₹ in Lacs)

Particulars	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Foreign Currency Loans[1]	19,454	-	-	-	19,454	Libor + 350bps
From Financial Institutions - Foreign Currency Loans[2]	5,009	1,822	1,822	455	9,108	Euribor + 33bps
Total	**24,463**	**1,822**	**1,822**	**455**	**28,562**	

[1]Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ (38) lacs (31st March, 2018: ₹ (8) lacs, 1st April, 2017 : ₹ 27 lacs).

[2]Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 86 lacs (31st March, 2018: ₹ 78 lacs, 1st April, 2017 : ₹ 110 lacs).

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17.1 Subordinated Perpetual bonds/debentures (Tier I Capital)

During the year ended 31st March 2019, the Company raised Unsecured subordinated perpetual debentures amounting to ₹ 32,000 lacs (Previous Year: ₹ Nil). As at 31st March, 2019, the amount outstanding is ₹ 32,000 lacs (31st March 2018 : Nil, 1st April 2017: Nil). These debentures have call option which is exercisable with prior approval of RBI. Call Option can be exercised by the Company on 1st April 2029.

As at 31st March, 2019 (₹ in Lacs)

Rate of Interest	Maturity Profile 2029-30	Total
10.00	32,000	32,000
Total	**32,000**	**32,000**

Outstanding as at 31st March, 2018 and 1st April, 2017 was ₹ Nil.

17.2 Subordinated bonds / debentures (Tier II Capital)

During the year, the Company raised subordinated debt qualifying for Tier II capital amounting to ₹ Nil (31st March, 2018: ₹ 2,702 lacs). and the same have been utilised for the purposes as per the terms of the issue. The following table sets forth the details of the outstanding:

As at 31st March, 2019 (₹ in Lacs)

Rate of Interest	Maturity Profile						Total*
	2027-28	2023-24	2022-23	2021-22	2020-21	2019-20	
9.12	1,226	-	-	-	-	-	1,226
9.50[1]	316	-	-	-	-	-	316
9.50	1,160	-	-	-	-	-	1,160
10.20	-	-	-	-	-	20,000	20,000
10.50	-	-	-	-	5,000	-	5,000
10.60	-	-	-	-	-	4,030	4,030
10.75	-	5,840	-	-	1,660	-	7,500
11.25	-	-	3,400	-	-	-	3,400
11.40	-	-	-	10,000	-	-	10,000
11.50	-	-	2,336	-	-	-	2,336
11.70	-	-	4,690	-	-	-	4,690
11.80	-	-	6,770	-	-	-	6,770
11.85	-	-	7,000	-	-	-	7,000
11.90	-	-	-	21,915	-	-	21,915
Total	**2,702**	**5,840**	**24,196**	**31,915**	**6,660**	**24,030**	**95,343**

As at 31st March, 2018 (₹ in Lacs)

Rate of Interest	Maturity Profile							Total*
	2027-28	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	
9.12	1,226	-	-	-	-	-	-	1,226
9.50[1]	316	-	-	-	-	-	-	316
9.50	1,160	-	-	-	-	-	-	1,160
10.20	-	-	-	-	-	20,000	-	20,000
10.50	-	-	-	-	5,000	-	-	5,000
10.60	-	-	-	-	-	4,030	-	4,030
10.75	-	5,840	-	-	1,660	-	-	7,500

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Rate of Interest	Maturity Profile							Total*
	2027-28	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	
11.10	-	-	-	-	-	-	1,440	1,440
11.25	-	-	3,400	-	-	-	-	3,400
11.40	-	-	-	10,000	-	-	-	10,000
11.50	-	-	2,336	-	-	-	6,130	8,466
11.70	-	-	4,690	-	-	-	-	4,690
11.80	-	-	6,770	-	-	-	-	6,770
11.85	-	-	7,000	-	-	-	-	7,000
11.90	-	-	-	21,915	-	-	-	21,915
Total	**2,702**	**5,840**	**24,196**	**31,915**	**6,660**	**24,030**	**7,570**	**1,02,913**

As at 1st April, 2017 (₹ in Lacs)

Rate of Interest	Maturity Profile							Total*
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	
10.20%	-	-	-	-	20,000	-	-	20,000
10.50%	-	-	-	5,000	-	-	-	5,000
10.60%	-	-	-	-	4,030	-	-	4,030
10.75%	5,840	-	-	1,660	-	-	-	7,500
11.10%	-	-	-	-	-	1,440	-	1,440
11.25%	-	3,400	-	-	-	-	-	3,400
11.40%	-	-	10,000	-	-	-	-	10,000
11.50%	-	2,336	-	-	-	6,130	7,403	15,869
11.70%	-	4,690	-	-	-	-	-	4,690
11.75%	-	-	-	-	-	-	1,000	1,000
11.80%	-	6,770	-	-	-	-	-	6,770
11.85%	-	7,000	-	-	-	-	-	7,000
11.90%	-	-	21,915	-	-	-	-	21,915
Total	**5,840**	**24,196**	**31,915**	**6,660**	**24,030**	**7,570**	**8,403**	**1,08,614**

1 Due to cumulative Interest bonds wherein interest is payable on maturity, yield has been considered as rate of interest.

All the above bonds are redeemable at par.

*Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 960 lacs (31st March 2018: ₹ 1428 lacs, 1st April, 2017: ₹ 1,893 lacs).

17.3 Subordinated Loan & Deposits

As at 31st March, 2019 (₹ in Lacs)

Particulars	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Subordinated Rupee Loans1	-	10,000	-	-	10,000	Base Rate + 200bps
From Others - Subordinated Rupee Deposits (Fixed)	5,000	-	-	-	5,000	8.90%
Total	**5,000**	**10,000**	**-**	**-**	**15,000**	

Notes to Financial Statements (Contd.)

As at 31st March, 2018 (₹ in Lacs)

Particulars	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Subordinated Rupee Loans[1]	-	10,000	-	-	10,000	Base Rate + 200bps
Total	**-**	**10,000**	**-**	**-**	**10,000**	

As at 1st April, 2017 (₹ in Lacs)

Particulars	Maturity Profile				Total	Interest Rate
	Beyond 5 years	3-5 years	1-3 years	0-1 years		
From Banks - Subordinated Rupee Loans[1]	10,000	-	-	-	10,000	MCLR + 200bps
Total	**10,000**	**-**	**-**	**-**	**10,000**	

[1] Does not include effective interest rate adjustment in accordance with IndAS 109 ₹ 105 lacs (31st March, 2018: ₹ 132 lacs, 1st April, 2017 : ₹ 156 lacs)

18. Other Financial Liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Interest Accrued but not due on Borrowings	20,910	21,644	21,522
Interest Accrued and due on Borrowings	79	137	92
Interest Accrued but not due on Others	-	66	194
Unpaid Dividends (refer Note No. 18.1)	52	35	35
Unpaid Matured Deposits and Interest Accrued thereon (refer Note No. 18.1 & 18.2)	1	1	3
Unpaid Matured Debentures and Interest Accrued thereon	249	-	442
Security Deposits & Retentions	1,157	2,714	3,096
Payable to Employees	274	192	253
Commission Payable to Directors	48	195	135
Liability for Operating Expenses	743	1,188	816
Financial Guarantee Liability	689	684	446
Total	**24,202**	**26,856**	**27,034**

18.1 To be credited to Investor Education and Protection Fund as and when due.

18.2 In order to qualify for registration as an 'Infrastructure Finance Company', the Company decided not to accept or renew public deposits w.e.f. 20th April, 2010. The amount of public deposits outstanding as on 19th April, 2010 (including matured and unclaimed deposits) along with accrued and future interest thereof is kept in the form of a Fixed Deposit, under lien, with Axis Bank Limited, a scheduled commercial bank, for the purpose of making payment to the depositors. The outstanding balance of the Fixed Deposit as at 31st March, 2019 is ₹ 1 Lakh (31st March 2018: ₹ 1 Lacs, 1st April, 2017: ₹ 25 Lacs).

Notes to Financial Statements (Contd.)

19. Provisions

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Provision for employee benefits			
Provision for Gratuity	279	180	233
Provision for Unavailed Leave	327	266	336
Total	**606**	**446**	**569**

20. Other Non-financial liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Sundry liabilities (Interest Capitalisation) Account	1,637	2,136	4,695
Advance from Customers	2,288	502	6,331
Statutory Liabilities	129	881	209
Others	190	190	-
Total	**4,244**	**3,709**	**11,235**

21. Equity Share Capital

Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised						
Equity Shares, ₹ 10/- par value per share	1000000000	1,00,000	1000000000	1,00,000	1000000000	1,00,000
Preference Shares, ₹ 100/- par value per share	50000000	50,000	50000000	50,000	50000000	50,000
		1,50,000		**1,50,000**		**1,50,000**
Issued and subscribed						
Equity Shares, ₹ 10/- par value per share	503559160	50,356	503559160	50,356	503559160	50,356
Fully Paid-up						
Equity Shares, ₹ 10/- par value per share	503086333	50,309	503086333	50,309	503086333	50,309
Forfeited Shares	472827	15	472827	15	472827	15
		50,324		**50,324**		**50,324**

21.1 Reconciliation of the Number of Equity Shares outstanding

The reconciliation of the number of equity shares outstanding and the corresponding amount thereof, as at the Balance Sheet date is set out below:

Equity Shares	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	503086333	50,309	503086333	50,309	503086333	50,309
Add: Issued during the year	-	-	-	-	-	-
At the end of the year	503086333	50,309	503086333	50,309	503086333	50,309

Notes to Financial Statements (Contd.)

21.2 Rights, preferences and restrictions in respect of each class of shares

The Company's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of ₹ 10/- and ₹ 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Company during the year ended 31st March, 2019 and 31st March, 2018.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

21.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2019)

The Company has not issued any shares without payment being received in cash/ by way of bonus shares since 2013-14.

21.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

Name of the shareholders	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	30,36,75,845	60.36	30,36,75,845	60.36	30,36,75,845	60.36
Fidelity Investment Trust Fidelity Series Emerging Markets Fund	3,43,55,610	6.83	3,43,55,610	6.83	4,18,82,982	8.33

21.5 Declaration and payment of dividend

(₹ in Lacs)

Particulars	18-19	17-18
Dividend declared & paid during the year		
Final dividend for the year ended 31st March, 2018: ₹ 0.50 per share (31st March, 2017: ₹ 0.50 per share)	2,515	2,515
Interim dividend for the year ended 31st March, 2019: ₹ 0.50 per share (31st March, 2018: Nil)	2,515	-
Total dividends paid	**5,030**	**2,515**
Proposed dividend on equity shares		
Final cash dividend for the year ended on 31st March, 2019: ₹ Nil per share (31st March, 2018: ₹ 0.50 per share)	-	2,515

Notes to Financial Statements (Contd.)

22. Other Equity

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)			
Opening balance	25,032	22,562	
Add: Transfer from retained earnings	1,893	2,470	
Closing balance	**26,925**	**25,032**	**22,562**
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)			
Opening balance	14,606	13,084	
Add: Transfer from retained earnings	-	1,522	
Closing balance	**14,606**	**14,606**	**13,084**
Capital Reserve			
Opening balance	1,945	1,945	
Closing balance	**1,945**	**1,945**	**1,945**
Securities Premium Reserve			
Opening balance	19,754	19,754	
Closing balance	**19,754**	**19,754**	**19,754**
Bond/Debenture Redemption Reserve			
Opening balance	22,108	17,339	
Add: Transfer from retained earnings	9,066	9,537	
Less: Transfer to retained earnings, on repayment of Bond/Debenture	8,514	4,768	
Closing balance	**22,660**	**22,108**	**17,339**
General Reserve			
Opening balance	1,39,604	1,39,604	
Closing balance	**1,39,604**	**1,39,604**	**1,39,604**
Equity Instruments through Other Comprehensive Income			
Opening balance	23,028	27,907	
Add: Transfer from retained earnings (net of tax)	(12,649)	(4,879)	
Closing balance	**10,379**	**23,028**	**27,907**
Retained Earnings			
Opening balance	11,577	14,231	
Add: Profit for the year	9,467	9,042	
Add: Other Comprehensive Income (net of tax)	(23)	92	
Add/ Less: Appropriations			
Transferred to Special Reserve	1,893	2,470	
Transferred to Bond/Debenture Redemption Reserve (net)	552	4,769	
Transferred to Income Tax Special Reserve	-	1,522	
Interim dividend [amount ₹ 0.50 per share (Previous year ₹ Nil)]	2,515	-	
Equity dividend [amount ₹ Nil per share (Previous year ₹ 0.50)]	2,515	2,515	
Corporate dividend tax	1,035	512	
Total appropriations	**8,510**	**11,788**	
Closing balance	**12,511**	**11,577**	**14,231**
Total	**2,48,384**	**2,57,654**	**2,56,426**

Notes to Financial Statements (Contd.)

(i) Special Reserve:

Transfer of 20% of the profit after tax before re-measurement adjustments on transition to Ind AS, if any, to the statutory reserves in accordance with the provision of Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to Special Reserve is as follows:

No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

(ii) Income Tax Special Reserve:

This reserve has been created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961 and any withdrawal from same will be taxable as per provisions of the Income Tax Act, 1961.

(iii) Capital Reserve:

This reserve represents capital investment subsidy received and amount forefeited towards warrant subscription.

(iv) Securities Premium:

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(v) Bond/Debenture Redemption Reserve:

In accordance with Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 read with Section 71(4) of the Companies Act, 2013 the Company has created DRR only for redemption of public issue of Non-Convertible debentures (NCDs).

(vi) General Reserve:

This reserve include amount transferred from net profit as per provisions of erstwhile Companies Act, 1956 and Reserves created on Amalgamation.

(vii) Equity Instruments through Other Comprehensive Income:

This Reserve represents the cumulative gains (net of losses) arising on the changes in Fair Value of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

(viii) Retained Earnings:

This reserve represents the cumulative profits of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013.

Notes to Financial Statements (Contd.)

23. Interest Income

(₹ in Lacs)

Particulars	2018-19			2017-18		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans	-	1,37,618	6,128	-	1,60,787	985
Interest income from investments	-	974	3,853	-	-	1,510
Interest on deposits with Banks	-	2,216	-	-	2,225	-
Other interest Income	-	563	-	-	846	-
Total	**-**	**1,41,371**	**9,981**	**-**	**1,63,858**	**2,495**

24. Net gain on fair value changes

(₹ in Lacs)

Particulars	2018-19	2017-18
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Derivatives	-	-
(ii) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Derivatives*	(548)	629
- Investments	6,373	7,419
- Loans	3	1,095
- Deposit	842	1,621
Total Net gain/(loss) on fair value changes (A)	**6,670**	**10,764**
Fair Value changes:		
-Realised	842	1,621
-Unrealised	5,828	9,143
Total Net gain/(loss) on fair value changes (B) to tally with (A)	**6,670**	**10,764**

* Under Ind AS 109, a hedging relationship only qualifies for hedge accounting if a number of restrictive criteria are satisfied, including appropriate designation and documentation of effectiveness at inception of the hedge. A hedging relationship will only qualify for hedge accounting at the date of transition if the hedging relationship has been fully designated and documented as effective in accordance with Ind AS 109 on or before the date of transition and is of a type that qualifies for hedge accounting under Ind AS 109. Designation of a hedging relationship cannot be made retrospectively. Hence, all derivatives entered prior to 01.04.2018 has been classified as undesignated derivative.

25. Other Income

(₹ in Lacs)

Particulars	2018-19	2017-18
Net gain / (loss) on derecognition of property, plant and equipment	(380)	34
Interest on Income Tax Refund	1,118	-
Others	376	405
Total	**1,114**	**439**

Notes to Financial Statements (Contd.)

26. Finance Costs

(₹ in Lacs)

Particulars	2018-19		2017-18	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on borrowings	-	1,08,196	-	94,884
Interest on debt securities	-	19,072	-	20,165
Interest on subordinated liabilities	-	12,416	-	13,545
Other interest expense	-	3,365	-	5,499
Total	**-**	**1,43,049**	**-**	**1,34,093**

27. Employee Benefits Expenses

(₹ in Lacs)

Particulars	2018-19	2017-18
Salaries and wages	3,298	2,977
Contribution to provident and other funds	231	239
Staff welfare expenses	116	134
Total	**3,645**	**3,350**

28. Impairment on Financial Instruments (net)

(₹ in Lacs)

Particulars	2018-19		2017-18	
	On Financial Intruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Intruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
Loans (refer Note No. 28.1)	-	13,168	-	20,765
Investments	-	3,038	-	4,593
Other financial assets	-	311	-	(427)
Total	**-**	**16,517**	**-**	**24,931**

28.1 Impairment on Loans

(₹ in Lacs)

Particulars	2018-19		2017-18	
	On Financial Intruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Intruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
Bad Debts written-off (net)	-	73,378	-	13,303
Loss on Assets acquired in satisfaction of debt	-	12,809	-	-
Provision for Impairment	-	(73,019)	-	7,462
Total	**-**	**13,168**	**-**	**20,765**

Notes to Financial Statements (Contd.)

29. Administrative and Other Expenses

(₹ in Lacs)

Particulars	2018-19	2017-18
Rent, Taxes and Energy Costs	2,162	3,157
Repairs and Maintenance	1,442	1,507
Communication Costs	148	174
Printing and Stationery	106	89
Advertisement and Publicity	257	458
Director's Fees, Allowances and Expenses	65	50
Auditor's Fees and Expenses (refer Note No. 29.1)	132	83
Legal and Professional Charges	2,005	2,270
Insurance	66	51
Corporate Social Responsibility Expenses (refer Note No. 29.2)	277	152
Travelling & Conveyance	878	923
Other Expenditure	329	417
Total	**7,867**	**9,331**

29.1 Payments to the Auditor (including Service Tax/ GST)

(₹ in Lacs)

Particulars	2018-19	2017-18
As Auditor - Statutory Audit & Limited Reviews	89	74
For Other Services (Certification etc.)	40	8
For Reimbursement of Expenses	3	1
Total	**132**	**83**

29.2 Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	2018-19	2017-18
Gross amount required to be spent during the year	274	232
Amount spent during the year		
- Construction / acquisition of any asset	-	-
- On purposes other than above	277	152

30. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS

(₹ in Lacs)

Particulars		2018-19	2017-18
Profit after Tax attributable to the Equity Shareholders (₹ in Lacs)		9,467	9,042
Basic and Diluted			
(a) Number of Equity Shares at the beginning of the year		50,30,86,333	50,30,86,333
(b) Number of Equity Shares issued during the year		-	-
(c) Number of Equity Shares at the end of the year		50,30,86,333	50,30,86,333
(d) Weighted average number of Equity Shares outstanding during the year	**(B)**	50,30,86,333	50,30,86,333
(e) Nominal Value of each Equity Share (₹)		10	10
Basic and Diluted Earnings per Share (₹)	**(A/B)**	**1.88**	**1.80**

Notes to Financial Statements (Contd.)

31. Contingent Liabilities And Commitments (To The Extent Not Provided For)

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
A. Contingent Liabilities			
(a) Claims against the Company not acknowledged as debts:			
Income Tax	7,982	7,042	6,251
Service Tax	4,645	1,275	1,275
Central Sales Tax	276	653	801
Entry Tax	-	5	5
Claims under dispute	22,405	-	-
(b) Guarantees:			
Bank Guarantees[1]	12,885	7,931	5,083
Total	**48,193**	**16,906**	**13,415**
B. Commitments			
Estimated amount of capital contracts remaining	161	118	1,045
On account of Letter of Credit	-	71,036	99,734
On account of Derivative Instruments (refer Note No. 4)			

[1] Includes ₹ Nil (31st March, 2018 & 1st April, 2017 - ₹ 56 Lacs) issued on Company's behalf by the Banker of a Subsidiary Company.

32. First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relvant for the Company are as detailed below :

Mandatory exceptions to the retrospective application of Ind AS

(i) Estimates

The estimates at 1st April, 2017 and at 31st March, 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April, 2017, the date of transition to Ind AS and as of 31st March, 2018.

(ii) Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition and the Company has complied accordingly.

As per Ind AS 101, for financial assets or financial liabilities classified as at amortised cost, if it is impracticable for the Company to apply retrospectively the effective interest method as mentioned in Ind AS 109, the fair value of the financial assets or financial liabilities at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or financial liability at the date of transition to Ind AS. For financial assets and financial liabilities classified as at amortised cost, measurement has been done retrospectively by the Company.

Notes to Financial Statements (Contd.)

Voluntary exemptions availed

(i) Deemed cost for Property, Plant and Equipment and Intangible Assets

Company has elected to use the carrying amount of items of property, plant and equipments under previous GAAP on the date of transition to Ind AS as deemed cost for Ind AS.

(ii) Investment in Subsidiaries and Associates

Company has elected to continue with the carrying value of its investment in Subsidiaries and Associates recognised as at 1st April, 2017 (transition date) measured as per the Previous GAAP or fair value at transition date as its deemed cost.

(iii) Determining whether an arrangement contains a lease

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of arrangement. However, the Company has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on transition date.

(iv) Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

(v) Derecognition of financial assets and financial liabilities

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event). The Company has opted not to re-evaluate financial assets derecognised in the past and to apply the derecognition requirements prospectively for transactions occurring on or after the transition date.

(vi) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

(vii) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Notes to Financial Statements (Contd.)

(i) Reconciliation of Equity as previously reported under Previous GAAP to Ind AS

(₹ in Lacs)

Particulars	Note	As at 31st March, 2018	As at 1st April, 2017
Equity as reported under previous GAAP		**2,96,201**	**2,86,498**
Re-measurements on transition to Ind AS			
(1) Interest income and expenses recognition using EIR method on financial assets and liabilities at amortized cost	(i)	(5,439)	(6,953)
(2) Fair valuation of Investments & other financial instruments	(ii)	1,50,551	1,47,517
(3) Recognition of Expected Credit Loss in line with Ind-AS 109	(iii)	(1,40,145)	(1,24,720)
(4) Fair Valuation of Derivatives	(iv)	(1,486)	(992)
(5) Deferred Tax impact on above	(vi)	8,296	5,400
Equity as reported under Ind AS		**3,07,978**	**3,06,750**

(ii) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Note	17-18
Profit after Tax as reported under Previous GAAP		**12,347**
Adjustments:		
(1) Interest income and expenses recognition using EIR method on financial assets and liabilities at amortized cost	(i)	1,514
(2) Fair valuation of Investments & other financial instruments	(ii)	8,788
(3) Recognition of Expected Credit Loss in line with Ind-AS 109	(iii)	(15,425)
(4) Fair Valuation of Derivatives	(iv)	(111)
(5) Actuarial gains/(losses) on employee benefit plans	(v)	(142)
(6) Deferred Tax impact on above	(vi)	2,071
Profit / (Loss) After Tax as reported under Ind AS		**9,042**
(1) Fair valuation of Investment	(ii)	(5,754)
(2) Actuarial gains/(losses) on employee benefit plans	(v)	142
(3) Deferred tax on above adjustments	(vi)	825
Total Comprehensive Income as reported under Ind AS		**4,255**

Footnotes to the reconciliation of equity as at 1st April, 2017 and 31st March, 2018 and Total Comprehensive Income for the year ended 31st March, 2018.

(i) **Interest income and expenses recognition using EIR method on financial assets and liabilities at amortized cost**

Under Previous GAAP, all financial assets and financial liabilities were carried at cost.Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

(ii) **Fair valuation of Investment and other financial instruments**

Under Previous GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated such investments as FVOCI/ FVTPL investments. Ind AS requires FVOCI/FVTPL investments to be measured at fair value.

Notes to Financial Statements (Contd.)

Further, the Company has adopted fair value in few investments in Subsidiaries and Associates as deemed cost as at the transition date and subsequently the same investments are measured at cost.

(iii) Recognition of Expected Credit Loss in line with Ind-AS 109

Under Previous GAAP, the impairment provisioning in respect of a NBFC-ND-SI is governed by the principles as prescribed by the RBI through NBFC-SI Directions.

"Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost.

General Approach (Financial Assets containing financing component)
Under General Approach, Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to the 12 month expected credit losses; or Lifetime expected credit losses; if credit risk has increased significantly since initial recognition of the financial instrument.

Simplified Approach (Financial Assets not containing financing component)
Under Simplified Approach, Expected credit losses are required to be measured through a loss allowance at an amount equal to the Lifetime expected credit losses for all financial assets."

(iv) Fair Valuation of Derivatives

The Company uses derivative financial instruments, such as currency forwards, options and swaps to hedge its foreign currency risks. Under previous GAAP, the net mark to market losses or gains on the outstanding portfolios of such instruments were recognised in the profit or loss.

The Company uses derivative financial instruments, such as cross currency swaps and interest Rate Swaps for hedging the interest rate risk. Under previous GAAP, as per Guidance Note on Accounting for Derivative Contracts issued by ICAI, the net mark to market losses or gains on the outstanding portfolios of such instruments were recognised directly in cash flow hedges.

Under Ind AS, changes in the fair value of derivatives on adoption date has been routed through retained earnings. The changes in fair value of derivative financial instruments, after adoption date, which are designated as cash flow hedges are recognised in equity. Amounts deferred in equity are transferred to the Statement of Profit and Loss in line with the hedged transaction.

(v) Actuarial gains/(losses) on employee benefit plans

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and liabilities towards employee leave encashment were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.

(vi) Deferred Tax impact on above

Under Previous GAAP, deferred tax was accounted using the income statement approach on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of assets or liabilities in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

Notes to Financial Statements (Contd.)

33. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

34. Regulatory Capital (Capital Adequacy Ratio)

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Tier I capital	1,43,602	2,38,030	2,27,803
Tier II capital	63,632	67,544	84,614
Total capital	**2,07,234**	**3,05,574**	**3,12,417**
Risk Weighted Assets	13,31,383	17,36,499	16,49,315
Tier I Ratio (%)	10.79	13.71	13.81
Tier II Ratio (%)	4.78	3.89	5.13

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, retained earnings including current year profit, statutory reserves and other free reserves less deferred revenue expenditure and intangible assets. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate bonds, deposits and loans.

The aforesaid figures on regulatory capital are as per RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, and are not as per Ind AS.

35. Financial Instruments and Related Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1.16 to the financial statements.

Notes to Financial Statements (Contd.)

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Lacs)

	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets						
a) Measured at Amortised Cost						
i) Cash and Cash Equivalents	9,100	9,100	31,154	31,154	27,712	27,712
ii) Bank Balance other than (i) above	11,524	11,524	34,742	34,742	29,014	29,014
iii) Trade Receivables	16,957	16,957	2,205	2,205	1,519	1,519
iv) Other Receivables	-	-	-	-	8,913	8,913
v) Loans	9,38,942	9,37,629	10,50,060	10,50,618	10,35,877	10,34,845
vi) Investments	21,959	21,959	4,997	4,997	-	-
vii) Other Financial Assets	33,945	33,945	23,178	23,178	25,544	25,544
Sub-total	**10,32,427**	**10,31,114**	**11,46,336**	**11,46,894**	**11,28,579**	**11,27,547**
b) Measured at Fair value through Profit or Loss						
i) Derivative Financial Instruments	2,526	2,526	4,069	4,069	4,392	4,392
ii) Loans	52	52	29,777	29,777	26,648	26,648
iii) Investments	1,01,316	1,01,316	88,777	88,777	1,33,192	1,33,192
iv) Other Financial Assets	-	-	15,179	15,179	15,935	15,935
Sub-total	**1,03,894**	**1,03,894**	**1,37,802**	**1,37,802**	**1,80,167**	**1,80,167**
c) Measured at Fair value through Other Comprehensive Income						
i) Investments	76,895	76,895	96,615	96,615	95,273	95,273
Sub-total	**76,895**	**76,895**	**96,615**	**96,615**	**95,273**	**95,273**
Total Financial Assets*	**12,13,216**	**12,11,903**	**13,80,753**	**13,81,311**	**14,04,019**	**14,02,987**
Financial Liabilities						
a) Measured at Amortised Cost						
i) Payables	1,320	1,320	80,356	80,356	92,496	92,496
ii) Debt Securities	1,50,124	1,51,180	1,91,788	1,94,723	2,02,476	2,09,563
iii) Borrowings (Other than Debt Securities)	9,36,185	9,36,185	10,90,144	10,90,144	9,94,254	9,94,254
iv) Subordinated Liabilities	1,41,278	1,44,849	1,11,353	1,17,036	1,16,565	1,25,788
v) Other Financial Liabilities	24,202	24,202	26,856	26,856	27,034	27,034
Sub-total	**12,53,109**	**12,57,736**	**15,00,497**	**15,09,115**	**14,32,825**	**14,49,135**
b) Measured at Fair value through Profit or loss						
i) Derivative Financial Instruments	423	423	815	815	1,793	1,793
Sub-total	**423**	**423**	**815**	**815**	**1,793**	**1,793**
Total financial liabilities	**12,53,532**	**12,58,159**	**15,01,312**	**15,09,930**	**14,34,618**	**14,50,928**

*Exclude investment in subsidiaries and associates amounting to ₹ 218,038 lacs (31st March, 2018 - ₹ 218,415 lacs, 1st April, 2017 - ₹ 218,451 lacs) measured at cost.

Notes to Financial Statements (Contd.)

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables

Loans measured at amortised cost

The fair values of loan assets are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average lending rate of the Company.

Other financial assets measured at amortised cost

Other financial assets have assets with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Debt Securities, Subordinated Liabilities and Other Borrowings measured at amortised cost

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average borrowing rate of the Company.

Other financial liabilities measured at amortised cost

Other financial liabilities have liability with short-term maturity (less than twelve months) as on balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

B) Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Valuation techniques with observable inputs (Level 2): The fair value of financial instruments that are not traded in an active market (for example over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and Loan Assets carried at FVTPL included in level 3.

(₹ in Lacs)

	As at 31st March, 2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	2,526	-	2,526
Loans	-	-	52	52
Other financial assets	-	-	-	-
Investments	22,451	-	1,55,760	1,78,211
	22,451	**2,526**	**1,55,812**	**1,80,789**
Financial liabilities				
Derivative Financial Instruments		423		423
	-	**423**	**-**	**423**

Notes to Financial Statements (Contd.)

(₹ in Lacs)

	As at 31st March, 2018			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	4,069	-	4,069
Loans	-	-	29,777	29,777
Other financial assets	-	-	15,179	15,179
Investments	39,564	-	1,45,828	1,85,392
	39,564	**4,069**	**1,90,784**	**2,34,417**
Financial liabilities				
Derivative Financial Instruments	-	815	-	815
	-	**815**	**-**	**815**

(₹ in Lacs)

	As at 1st April, 2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	4,392	-	4,392
Loans	-	-	26,648	26,648
Other financial assets	-	-	15,935	15,935
Investments	13,818	-	2,14,647	2,28,465
	13,818	**4,392**	**2,57,230**	**2,75,440**
Financial liabilities				
Derivative Financial Instruments	-	1,793	-	1,793
	-	**1,793**	**-**	**1,793**

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in Lacs)

Particulars	Fair Value As at			Fair Value Heirarchy	Valuation Technique and Key Input	Significant Unobservable Input
	31st March, 2019	31st March, 2018	1st April, 2017			
Financial Assets						
Derivative Financial Instruments	2,526	4,069	4,392	Level 2	Note (i)	Not Applicable
Loans	52	29,777	26,648	Level 3	Note (ii)	Note (v)
Other financial assets	-	15,179	15,935	Level 3	Note (ii)	Note (v)
Investments	22,451	39,564	13,818	Level 1	Note (iii)	Not Applicable
Investments	1,55,760	1,45,828	2,14,647	Level 3	Note (iv)	Note (v) & (vi)
Financial liabilities						
Derivative Financial Instruments	423	815	1,793	Level 2	Note (i)	Not Applicable

(i) Mark-to-Market

Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.

(ii) Income Approach.

The discounted cash flow method was used to capture the present value of the expected future benefits to be derived from the underlying Assets.

Notes to Financial Statements (Contd.)

(iii) Quoted Prices.

Quoted bid prices of an active market was used.

(iv) Other Inputs

(a) Market Multiple Method: Relevant information from companies operating in similar economic environment and industry was used.

(b) Discounted Cash Flow Method: Present value of the expected future benefits to be derived from the underlying Assets.

(c) Net Asset Valuation Method: Value of the underlying net assets of the business.

(v) Discount rate, determined using the average cost of borrowing of the Company + spread and contract yield rates.

(vi) Estimated future cash flows.

Reconciliation of Level 3 fair value measurements

(₹ in Lacs)

Reconciliation	Loans		Investments		Other financial assets	
	18-19	17-18	18-19	17-18	18-19	17-18
Opening Balance	29,777	26,648	1,45,828	2,14,647	15,179	15,935
Addition	45	7,759	7,936	9,405		
Sale/ Repayment	(29,773)	(5,725)	(5,032)	(47,508)	(15,179)	(756)
Transfers into Level 3	-	-	-	-		
Transfers from Level 3	-	-	-	(34,092)		
Unrealised income/(loss)	3	1,095	7,028	3,376	-	-
Closing Balance	**52**	**29,777**	**1,55,760**	**1,45,828**	**-**	**15,179**

Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

(₹ in Lacs)

Reconciliation	As at 31st March, 2019		As at 31st March, 2018	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans	1	1	2,562	2,230
Investment	2,224	2,207	2,300	2,215
Other financial assets	842	707	1,788	1,557
Total	**3,067**	**2,915**	**6,650**	**6,002**

C) Financial risk management objectives

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks

Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Company's senior management. It defines the strategy for managing liquidity and interest rate risks in the business.

Notes to Financial Statements (Contd.)

a) **Market risk**

The Company's Financial Instruments are exposed to market changes. The Company is exposed to the following significant market risk:

i. Foreign Currency Risk

ii. Interest Rate Risk

iii. Other Price Risk

i. **Foreign currency risk**

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees).

Foreign Currency Exposure (₹ in lacs)

As at 31st March, 2019	USD	Euro	Total
Cash and cash equivalents	4	-	4
Loans	-	-	-
Borrowings (Other than Debt Securities)	20,745	22,673	43,418
As at 31st March, 2018	**USD**	**Euro**	**Total**
Cash and cash equivalents	4	-	4
Loans	-	-	-
Borrowings (Other than Debt Securities)	25,525	26,893	52,418
As at 1st April, 2017	**USD**	**Euro**	**Total**
Cash and cash equivalents	4	-	4
Loans	-	242	242
Borrowings (Other than Debt Securities)	49,171	25,681	74,852

Hedged Foreign Currency balances (₹ in lacs):	Currency	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
(i) Borrowings (Other than Debt Securities):	USD	20,745	22,267	41,876
	EUR	22,673	26,893	25,681

Foreign currency sensitivity

Foreign Currency Sensitivities (impact on increase in 2%)

(₹ in Lacs)

Currency	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
USD	(415)	(510)	(983)
EUR	(453)	(538)	(509)

The Company has entered into Spots, Forwards and Currency Swaps to manage its foreign currency risk. Hence, the Company's profit and loss and equity is not exposed to such foreign currency sensitivity.

Note: If the rate is decreased by 2%, profit of the Company will increase by an equal amount.

ii. **Interest rate risk**

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The Company manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of interest rate swaps and cross currency interest rate swaps. Hedging activities are evaluated to align with interest rate views and defined risk appetite, to deploy the most cost effective hedging strategies.

Notes to Financial Statements (Contd.)

The Company is further exposed to interest rate risk as the Company lends funds at floating interest rates.

Interest Rate Exposure (₹ in lacs)

As at 31st March, 2019	INR	Euro	USD	Total
Financial Assets				
Loans	7,76,389	-	-	7,76,389
Financial Liabilities				
Borrowings (Other than Debt Securities)	8,40,071	22,673	20,745	8,83,489
Subordinated Liabilities	10,000	-	-	10,000
As at 31st March, 2018	**INR**	**Euro**	**USD**	**Total**
Financial Assets				
Loans	8,32,125	-	-	8,32,125
Financial Liabilities				
Borrowings (Other than Debt Securities)	9,57,774	26,893	25,525	10,10,192
Subordinated Liabilities	10,000	-	-	10,000
As at 1st April, 2017	**INR**	**Euro**	**USD**	**Total**
Financial Assets				
Loans	9,10,739	242	-	9,10,981
Financial Liabilities				
Borrowings (Other than Debt Securities)	8,81,701	25,681	49,171	9,56,553
Subordinated Liabilities	10,000	-	-	10,000

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Interest Rate Sensitivities for outstanding exposure (impact on increase in 2%)

Currency	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
INR	(1,074)	(2,313)	781
EURO	(453)	(538)	(509)
USD	(415)	(511)	(983)

Figures in brackets indicate decrease in profit

In some cases, the Company has entered into cross currency swap and interest rate swaps to manage its interest rate risk. The Company's profit and loss and equity is not exposed to interest rate sensitivity to that extent.

The sensitivity analysis above has been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

Note: If the rate is decreased by 2%, profit of the Company will increase by an equal amount.

iii. **Price risk**

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through Profit & Loss/ fair value through Other Comprehensive Income as at 31st March, 2019 is ₹ 23,092 Lacs (31st March, 2018: ₹ 39,564 Lacs, 1st April, 2017: ₹ 13,818 Lacs)

A 10% change in equity prices of such securities held as at 31st March, 2019, 31st March, 2018 and 1st April, 2017, would result in an impact of ₹ 2,309 Lacs, ₹ 3,956 Lacs and ₹ 1,382 Lacs respectively.

Notes to Financial Statements (Contd.)

b) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

Liquidity risk management (based on commercial terms):

(₹ in Lacs)

Particulars	As at 31st March, 2019					As at 31st March, 2018					As at 1st April, 2017				
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
A: Financial assets															
i) Cash and Cash Equivalents	-	9,100	-	-	9,100	3	31,151	-	-	31,154	2	27,710	-	-	27,712
ii) Bank Balance other than (i) above	52	500	10,526	446	11,524	35	12,291	21,970	446	34,742	35	27,911	622	446	29,014
iii) Derivative Financial Instruments	2,526	-	-	-	2,526	4,069	-	-	-	4,069	4,392	-	-	-	4,392
iv) Trade & Other Receivables	-	18,777	-	-	18,777	-	3,790	-	-	3,790	-	14,834	-	-	14,834
v) Loans *	-	1,58,130	1,32,453	7,30,980	10,21,563	-	1,69,976	2,16,414	8,36,736	12,23,126	-	1,45,103	2,70,042	7,98,777	12,13,922
vi) Investments	-	7,817	75,202	3,42,820	4,25,839	-	7,434	-	4,05,963	4,13,397	-	13,818	-	4,33,098	4,46,916
vii) Other Financial Assets	-	6,726	13,756	21,303	41,785	-	14,591	3,116	36,026	53,733	-	16,661	4,123	39,003	59,787
Total	**2,578**	**2,01,050**	**2,31,937**	**10,95,549**	**15,31,114**	**4,107**	**2,39,233**	**2,41,500**	**12,79,171**	**17,64,011**	**4,429**	**2,46,037**	**2,74,787**	**12,71,324**	**17,96,577**
B: Financial liabilities															
i) Derivative Financial Instruments	423	-	-	-	423	815	-	-	-	815	1,793	-	-	-	1,793
ii) Trade Payables	-	1,320	-	-	1,320	-	38,863	41,493	-	80,356	-	58,720	33,776	-	92,496
iii) Borrowings	-	1,84,823	2,23,080	8,22,595	12,30,498	-	1,52,567	3,36,387	9,08,064	13,97,018	-	1,49,650	2,67,032	9,01,725	13,18,407
iv) Other Financial Liabilities	302	13,989	6,329	3,582	24,202	36	15,067	7,193	4,560	26,856	480	15,465	7,202	3,887	27,034
Total	**725**	**2,00,132**	**2,29,409**	**8,26,177**	**12,56,443**	**851**	**2,06,497**	**3,85,073**	**9,12,624**	**15,05,045**	**2,273**	**2,23,835**	**3,08,010**	**9,05,612**	**14,39,730**

* The Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the Company, amounting to ₹ 365,832 lacs, which have been considered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2019					As at 31st March, 2018					As at 1st April, 2017				
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
Loans	-	95,404	1,11,827	1,58,601	3,65,832	-	-	-	-	-	-	-	-	-	-
	-	**95,404**	**1,11,827**	**1,58,601**	**3,65,832**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes to Financial Statements (Contd.)

c) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company conducts an industry analysis to determine the risk level of each industry which the Company is exposed to. The Company also performs portfolio analysis to analyze the correlations between different exposures, assess risk at an overall portfolio, and assess concentration risks in the portfolio. The Company also conducts stress testing at portfolio level to assess the impact on stress situations on the Company's portfolio. The corrective action taken by the Company includes obtaining collaterals which are easy to liquidate, which have high marketability and re-sale value.

d) Risk concentrations

The principal business of the Company is to provide financing in the form of loans to its clients for various infrastructure and allied purposes. Credit Risk is the risk of default of the counterparty to repay its obligations in a timely manner resulting in financial loss. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has credit policies approved by the Board which lays down the credit evaluation and approval process in compliance with regulatory guidelines.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on loan assets. The Probability of Default and Loss Given Default (LGD) is derived based on historical data on an unsegmented portfolio basis due to limitation of counts in past. The combination of the PD and LGD is applied on the Exposure at Default to compute the ECL, which is further adjusted for forward looking information, if any. Additionally, the Company reviews its large exposures on quarterly basis to identify cases where the expected credit loss is expected to be higher than that derived from the model and recognises such impairments additionally.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Analysis of risk concentration

(₹ in Lacs)

Particulars	As at 31st March, 2019			As at 31st March, 2018			As at 1st April, 2017		
	Corporate	Others	Total	Corporate	Others	Total	Corporate	Others	Total
Loan Assets	8,73,080	65,914	9,38,994	10,06,684	73,153	10,79,837	9,44,189	1,18,336	10,62,525

36. Transfers of financial assets

Transfers of financial assets that are not derecognised in their entirety :

Assignment of Non-Performing Loan Assets to Asset Reconstruction Company (ARC):

The Company has carried out an assignment transaction wherin it has assigned Non-Performing Loan Accounts to an Asset Reconstruction Company by transferring the loan assets to a Special Purpose Entity and subscribed to 85% of the total value of security receipts issued by the Trust. Even though the loan assets have been assigned, the Company still holds the right (legal as well as contractual) to recover the entire overdue balance in respect of these loan assets. Further, the returns from the Security Receipts are dependent on the realisation from the assigned loan assets, leading to Company bearing the risk of non-realisation from the pool to the extent of its investment in Security Receipts.

Notes to Financial Statements (Contd.)

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Carrying amount of assets	20,400	85	*
Carrying amount of associated liabilities	-	-	*
Fair value of assets	20,400	85	*
Fair value of associated liabilities	-	-	*

* The Company has chosen to apply the de-recognition requirments of Ind AS - 109 prospectively by choosing the first-time exemptions provided by Ind AS - 101.

37. Assets obtained by taking possession of collateral

The Company obtained the following non-financial assets during the year by taking possession of assets held as security against loans or third party security and held at the year end. The Company's policy is to determine whether such asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets acquired in satisfaction of debt at their fair value or carrying value, whichever is lower. The Company's policy is to realise collateral on a timely basis.

The table below outlines the nature and values of assets acquired in satisfaction of debt obtained during the year.

(₹ in Lacs)

Particulars	2018-19	2017-18
Land	-	78,603
Property	-	21,312
Total assets obtained by taking possession of collateral	**-**	**99,915**

38. Disclosure pursuant to Ind AS 19 - Employee Benefits

Defined contribution plans

The Company has recognised, in Statement of Profit and Loss for the year ended 31st March, 2019 an amount of ₹ 166 Lacs (Previous year ₹ 173 Lacs) as expenses under defined contribution plans.

Defined benefit plans

(A) Gratuity Fund :-

The Company makes contributions to Defined Benefit Plans for qualifying employees. The scheme is funded by way of separate irrevocable trust. The fund is managed internally by the Company. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance. The Trustees of the gratuity scheme for the employees of the Company have interested the administration of the scheme to the Life Insurance Corporation of India (LIC).

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. The Company makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

Notes to Financial Statements (Contd.)

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Company's plan (based on last monthly salary and number of years of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary inflation risk and demographic risk.

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined beneift obligation will tend to increase.

(b) Salary Inflation risk: Higher than expected increase in salary will increase the defined benefit obligation.

(c) Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase , discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of short career employee typically costs less per year as compared to long service employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31st March, 2019.

38.1 Particulars in respect of employee benefits of the Company are as follows :-

(₹ in Lacs)

Description	Gratuity			Leave		
	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Change in the defined benefit obligation						
Present Value of Obligation at the Beginning of the Year	260	412	428	181	228	240
Current Service Cost	51	72	47	28	55	57
Interest Cost	19	29	32	10	14	15
Past Service Cost - Plan Amendements	-	-	-	-	-	-
Acquisitions Cost / credit	-	(94)	-	-	-	-
Actuarial (gain)/loss	10	(139)	(51)	96	(41)	20
Benefits paid	(7)	(20)	(44)	(89)	(74)	(104)
Present Value of Obligation at the end of the Year	**333**	**260**	**412**	**226**	**182**	**228**
Change in plan assets						
Fair value of Plan Assets at the Beginning of the Year	80	179	183	NA	NA	NA
Expected return on Plan Assets	(19)	14	15	NA	NA	NA
Acquisitions Cost/credit	-	(94)	-	NA	NA	NA
Contributions by the Employer	-	-	25	NA	NA	NA
Benefits paid	(7)	(19)	(44)	NA	NA	NA
Fair value of Plan Assets at the end of the Year	**54**	**80**	**179**	**-**	**-**	**-**

Notes to Financial Statements (Contd.)

Basis used to determine the Expected Rate of Return on Plan Assets

The expected return on plan assets is determined based on government bond rate.

(₹ in Lacs)

Description	Gratuity			Leave		
	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Amount recognised in Balance Sheet consists of:						
Fair value of Plan Assets at the end of the Year	54	80	179	-	-	-
Present Value of Obligation at the end of the Year	333	260	412	226	182	228
Net (Asset)/Liabilities recognised in the Balance Sheet in respect of defined benefits	279	180	233	226	182	228

Description	Gratuity		Leave	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Expenses recognised in the statement of profit and loss consists of:				
Employee benefits expenses:				
Current Service cost	51	72	28	55
Past Service Cost - Plan Amendements	-	-	-	-
Net Interest cost	14	17	10	14
Net Actuarial (gain)/loss	-	-	96	(41)
Total [A]	**65**	**89**	**134**	**28**
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	6	(125)	-	-
Actuarial (Gain) / Loss from financial assumptions	4	(15)	-	-
Return on plan assets (excluding amounts included in net interest cost)	24	(2)	-	-
Total [B]	**35**	**(142)**	**-**	**-**
Expense recognised during the year [A+B]	**100**	**(53)**	**134**	**28**

38.2 Particulars of Investment Details of Plan Assets are as follows :-

(₹ in Lacs)

Description	Gratuity % Invested			Leave % Invested		
	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Investment Details of Plan Assets						
Schemes of insurance- conventional products	100%	100%	100%	Not Applicable		
Total	**100%**	**100%**	**100%**			

Notes to Financial Statements (Contd.)

38.3 Principal Assumptions used are as follows:

Discount rate per annum	7.50%	7.60%	7.15%	7.50%	7.60%	7.15%
Salary escalation rate per annum	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

38.4 The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

38.5 Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

	As at 31st March, 2019				As at 31st March, 2018				As at 1st April, 2017			
	Gratuity		Leave		Gratuity		Leave		Gratuity		Leave	
	%	₹ (in lacs)	%	₹ (in lacs)	%	₹ (in lacs)	%	₹ (in lacs)	%	₹ (in lacs)	%	₹ (in lacs)
Discount Rate + 100 basis points	-11.1%	(37)	-11.2%	(25)	-11%	(29)	-7%	(13)	-12%	(49)	-9%	(20)
Discount Rate - 100 basis points	13.2%	44	13.3%	30	13%	34	8%	15	14%	59	11%	25
Salary Increase Rate + 1%	6.6%	22	12.9%	29	7%	19	8%	15	9%	37	11%	24
Salary Increase Rate – 1%	-6.8%	(23)	-11.0%	(25)	-7%	(19)	-7%	(13)	-9%	(36)	-9%	(20)

38.6 Maturity Analysis of The Benefit Payments

(₹ in Lacs)

Expected payment for future years	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave
Year 1	6	4	11	40	9	40
Year 2	8	3	6	20	18	25
Year 3	13	3	7	12	12	13
Year 4	36	20	12	8	12	9
Year 5	36	5	35	25	39	10
Next 5 Years	202	45	168	36	220	44

38.7 Weighted average duration of defined benefit obligations: 13 years (Previous year: 13 years).

Notes to Financial Statements (Contd.)

39. Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"

Related Parties:

Holding Company:	Country of Origin
Adisri Commercial Private Limited	India
Subsidiary of Holding Company:	**Country of Origin**
Srei Factors Private Limited (w.e.f. 02.01.2019)	India
Subsidiaries & Step-down Subsidiaries:	**Country of Origin**
Srei Capital Markets Limited	India
Srei Alternative Investment Managers Limited	India
Srei Infrastructure Advisors Limited (ceased to be Subsidiary w.e.f. 12.03.2018)	India
Controlla Electrotech Private Limited	India
Srei Mutual Fund Asset Management Private Limited	India
Srei Mutual Fund Trust Private Limited	India
Srei Insurance Broking Private Limited	India
Bengal Srei Infrastructure Development Limited (Step-down Subsidiary upto 11.03.2018 and became Subsidiary w.e.f. 12.03.2018)	India
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India
Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India
Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f 31.03.2019)	India
Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to be a sub- subsidiary w.e.f 31.03.2019)	India
Quippo Energy Limited (ceased to be a subsidiary w.e.f 28.03.2019)	India
Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	India
Srei Equipment Finance Limited	India
Associates & Related Subsidiaries:	**Country of Origin**
Sahaj e-Village Limited	India
Attivo Economic Zone (Mumbai) Private Limited (ceased to be Associate w.e.f. 29.09.2018)	India
IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
AO International Infrastructure Services, Russia (Formerly AO Srei Leasing, Russia), (Subsidiary of IIS International Infrastructure Services GmbH, Germany)	Russia
Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
Rural Innovation Labs Pvt. Ltd (ceased to be Subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
Trusts:	**Country of Origin**
Srei Mutual Fund Trust	India
Enterprise over which relative of a KMP has significant influence:	
India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	
Others :	
Srei Infrastructure Finance Limited Employees Gratuity Fund	

Notes to Financial Statements (Contd.)

Key Management Personnel (KMP):	
Name	**Designation**
Mr. Hemant Kanoria	Chairman
Mr. Sameer Sawhney (upto 05.09.2018)	Chief Executive Officer
Mr. Rakesh Kumar Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer
Mr. Sandeep Lakhotia	Company Secretary
Mr. Kishore Kumar Lodha (upto 15.01.2018)	Chief Financial Officer
Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Financial Officer
Mr. Sanjeev Sancheti (from 28.04.2018)	Chief Strategy Officer
Mr. Chandrasekhar Mukherjee#	Group Chief People Officer
Mr. Samir Kumar Kejriwal#	Senior Vice President
Mr. Debashis Ghosh#	Internal Auditor
Mr. Salil Kumar Gupta (ceased w.e.f. 22.07.2017)	Independent Director
Mr. Malay Mukherjee (w.e.f. 26.10.2017)	Independent Director
Mr. Srinivasachari Rajagopal	Independent Director
Mr. Shyamalendu Chatterjee	Independent Director
Dr. Punita Kumar Sinha	Independent Director
Mr. Ram Krishna Agarwal	Independent Director
Mr. T. C. A. Ranganathan (Upto 07.12.2017)	Independent Director
Mr. Sunil Kanoria	Vice Chairman (Non Executive Director)
Dr. Tamali Sengupta (upto 26.10.2017, reappointed w.e.f. 04.02.2019)	Additional Director (Category – Independent)
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (Category – Non Executive Non Independent)

#Designated as KMP from 28.04.2018 to 04.02.2019

Notes to Financial Statements (Contd.)

Details of Related Party Transactions:

(₹ in Lacs)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended 31st March, 2019	Balance As at 31st March, 2019	For the Year ended 31st March, 2018	Balance As at 31st March, 2018	Balance As at 1st April, 2017
(A) Holding Company :						
Adisri Commerical Private Limited	Dividend Paid	1,518	-	1,518	-	-
(B) Subsidiaries:						
Srei Alternative Investment Managers Limited	Advance Given	-	-	250	250	-
	Refund of Advance Given	250	-	-	-	-
	Loan Advanced	700	700	-	-	-
	Interest Received on Loan	62	-	-	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	15	-	-	-
Srei Infrastructure Advisors Limited (ceased to be Subsidiary w.e.f. 12.03.2018)	Purchase of Equity Shares	-	-	3	-	-
Bengal Srei Infrastructure Development Limited	Loan Advanced	44	145	15	135	130
	Refund of Loan Advanced	34	-	10	-	-
	Interest Received on Loan	18	-	17	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	1	-	0.05	0.05
Srei Mutual Fund Asset Management Private Limited	Deposits Received	1,314	1,198	1,085	1,058	1,060
	Deposits Refunded	1,174	-	1,087	-	-
	Interest Paid on Deposits	105	-	100	-	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	1	-	1	1
Srei Mutual Fund Trust Private Limited	Subscription to Share Warrant	20	-	10	-	-
	Share Warrant Redeemed	6	-	5	-	-
	Advance Given	-	-	3	3	-
	Refund of Advance Given	3	-	-	-	-
Controlla Electrotech Private Limited	Rental Expense	-	-	1,264	-	-
	Interest Income on Financial Assets measured at amortised cost	40	-	73	-	-
	Fair value gain on financial assets	1,657	-	-	-	-
	Security Deposit Refund Received	2,400	-	-	-	-
	Property mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible debentures of its Holding Company	-	70	-	70	6,070
	Collateral security against Secured Redeemable Non-Convertible debentures of its Holding Company closed on repayment	6,000	-	-	-	-
	Advance Rent on Fair value of financial assets	-	-	-	-	1,260
	Balance Receivable-Deposit measured at amortised cost	-	-	-	703	630

Notes to Financial Statements (Contd.)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance As at	For the Year ended	Balance As at	Balance As at
		31st March, 2019		31st March, 2018		1st April, 2017
Srei Capital Makerts Limited	"Subscription to Commercial Paper Received [Face Value ₹ Nil lacs (31st March, 2018: ₹ 65 lacs, 1st April, 2017: ₹ 205 lacs)]"	-	-	64	-	198
	Commercial Paper Redeemed [Face Value ₹ Nil (31st March, 2018: ₹ 270 lacs, 1st April, 2017: ₹ Nil)]	-	-	270	-	-
	Finance Charges on Commercial Paper	-	-	8	-	-
	Deposits Received	550	505	-	-	-
	Deposits Refunded	45	-	-	-	-
	Interest Paid on Deposits	19	-	-	-	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	0.27	-	-	-
Srei Insurance Broking Private Limited	Rental Received	11	-	5	-	-
	Loan Advanced	-	-	8	100	250
	Deposits Received	200	200	-	-	-
	Refund of Loan Advanced	100	-	158	-	-
	Interest Received on Loan	3	-	31	-	-
	Interest Paid on Deposits	2	-	-	-	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	1	-	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	2	2
Quippo Energy Limited (ceased to be a subsidiary w.e.f. 28.03.2019)	Loan Advanced	5,200	-	1,033	4,023	3,577
	Refund of Loan Advanced	9,223	-	588	-	-
	Sale of Assets	366	-	395	445	458
	Purchase of Assets	194	-	358	-	62
	Rental Received	84	-	155	5	25
	Interest Received on Loan	345	-	445	116	-
	Financial Guarantee Income	8	-	1	-	-
	Financial Guarantee Liability	-	-	-	1	8
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	1	1
	Balance Receivable-Rental accrued but not due (Net of TDS)	-	-	-	68	57
	Put Option to Bank against loan facility closed	3,350	-	-	-	-
	Commitment against credit facility closed	4,881	-	-	-	-
	Commitment to the extent of facility outstanding (Commitment amount 31st March 2018- ₹ 4,881 lacs, 1st April, 2017- ₹ 4,881 lacs)	-	-	-	167	242
	Put Option to Bank against loan facility outstanding (Put Option amount 31st March, 2018: ₹ 3,350 lacs, 1st April, 2017: ₹ 3,350 lacs)	-	-	-	435	1,458

Notes to Financial Statements (Contd.)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance As at	For the Year ended	Balance As at	Balance As at
		31st March, 2019		31st March, 2018		1st April, 2017
Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f 31.03.2019)	Loan Advanced	14,675	-	1,550	1,550	-
	Advance Received	-	-	10	10	-
	Refund of Loan Advanced	16,225	-	-	-	-
	Rental Received	763	-	2,528	-	-
	Interest Received on Loan	758	-	105	-	-
	Financial Guarantee Income	89	-	13	-	-
	Financial Guarantee Expenses	10	-	16	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	16	33
	Balance Receivable-Rental accrued but not due (Net of TDS)	-	-	-	370	95
	Deemed Investment	-	-	-	-	-
	Financial Guarantee Contract Liability	-	-	-	178	133
	Financial Guarantee Fees Received	58	-	-	-	-
	Guarantee to the extent of facility outstanding (Guarantee amount 31st March, 2018: ₹ 31,541 lacs, 1st April, 2017: ₹ 22,447 lacs)	-	-	-	24,271	16,617
	Put Option to Bank against loan facility outstanding (Put Option amount 31st March, 2018: ₹ 7,000 lacs, 1st April, 2017: ₹ 7,000 lacs)	-	-	-	3,188	4,813
	Corporate Guarantee Issued	-	-	26,963	-	-
	Corporate Guarantee Closed	16,541	-	17,869	-	-
Srei Equipment Finance Limited	Security Deposit Received	-	-	-	1,576	1,576
	Security Deposit Refunded	1,576	-	-	-	-
	Rental Received	413	-	-	-	-
	Assignment of Loan Receivable	6,500	-	-	-	-

Notes to Financial Statements (Contd.)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance As at	For the Year ended	Balance As at	Balance As at
		31st March, 2019		31st March, 2018		1st April, 2017
(C) Associates:						
Sahaj e-Village Limited	Loan Advanced	2,787	14,878	23,595	12,091	2,338
	Refund of Loan Advanced	-	-	13,842	-	-
	Fees Income	-	-	0.50	-	-
	Rental Received	85	148	88	63	12
	Purchase of Services (Excluding Tax)	13	155	10	161	154
	Sale of Receivables	-	-	11,926	-	-
	Interest Received on Loan	1,242	-	1,506	-	1,210
	Interest Paid on Margin Money	12	-	-	-	2
	Security Deposit Refunded	-	-	2	-	-
	Fair value gain on financial assets	-	-	86	-	-
	Financial Guarantee Income	32	-	23	-	-
	Financial Guarantee Expenses	8	-	11	-	-
	Deposit Received	770	152	-	-	-
	Deposit Refunded	618	-	-	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	4	-	3	39
	Deemed Investment	-	-	1	-	-
	Financial Guarantee Contract Liability	-	84	-	103	114
	Commitment to the extent of facility outstanding (Commitment Amount 31st March, 2019 ₹ Nil, 31st March, 2018: ₹ 380 lacs, 1st April, 2017 - ₹ 380 lacs)	-	-	-	26	27
	Corporate Guarantee to the extent of facility outstanding (Guarantee Amount 31st March, 2019 ₹ 9,544 lacs, 31 March, 2018: ₹ 9,544 lacs, 1st April, 2017: ₹ 9,544 lacs)	-	407	-	1,115	1,172
	Put Option to Bank against loan facility outstanding (Put Option Amount - ₹ 1,500 lacs, 31st March, 2018: ₹ 2,500 lacs, 1st April, 2017: ₹ 2,500 lacs)	-	1,193	-	1,335	1,256
	Guarantee of Put option against Loan facility closed	1,000	-	-	-	-
	Commitment against credit facility closed	380	-	-	-	-
Attivo Economic Zone (Mumbai) Private Limited (ceased to be Associate w.e.f. 29.09.2018)	Loan Advanced	-	-	3,688	-	30,385
	Refund of Loan Advanced	-	-	34,073	-	-
	Gain on Fair Value Changes	-	-	630	-	-
	Interest Received on Loan	1	-	2,767	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	-	248

Notes to Financial Statements (Contd.)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance As at	For the Year ended	Balance As at	Balance As at
		31st March, 2019		31st March, 2018		1st April, 2017
IIS International Infrastructure Services GmbH	Bad Debts written off	-	-	296	-	-
	Interest Received on Loan	-	-	-	-	30
	Loan advanced	-	-	-	-	242
Rural Innovation Labs Pvt. Ltd (ceased to be Subsidiary of Sahaj e-Village Ltd. w.e.f. 01.10.2018)	Loan Advanced	110	-	390	390	-
	Refund of Loan Advanced	500	-	-	-	-
	Interest Received on Loan	28	-	25	0.94	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	4	-
(D) Remuneration to Key Management Personnel (KMP):						
Mr. Hemant Kanoria	Remuneration	247	-	242	-	-
	Commission	-	-	120	120	60
	Dividend Paid	4	-	2	-	-
Mr. Sandeep Lakhotia	Remuneration	95	-	93	-	-
	Dividend Paid	3	-	2	-	-
Mr. Sameer Sawhney (upto 05.09.2018)	Remuneration	66	-	148	-	-
Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Remuneration	159	-	-	-	-
Mr Kishore Kumar Lodha (upto 15.01.2018)	Remuneration	-	-	46	-	-
	Dividend Paid	-	-	0.08	-	-
Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Remuneration	67	-	-	-	-
Mr. Sanjeev Sancheti	Remuneration	152	-	-	-	-
	Dividend Paid	3	-	0.08	-	-
Mr. Chandrasekhar Mukherjee (from 28.04.2018 to 03.02.2019)	Remuneration	207	-	-	-	-
Mr. Samir Kumar Kejriwal (from 28.04.2018 to 03.02.2019)	Remuneration	39	-	-	-	-
	Dividend Paid	0.04	-	0.08	-	-
Mr. Debashis Ghosh	Dividend Paid	0.14	-	0.08	-	-
Mr. Sunil Kanoria	Commission Paid	8	8	13	13	10
	Dividend Paid	18	-	9	-	-
	Sitting Fees	11	-	11	-	-
Mr. Malay Mukherjee	Commission Paid	8	8	5	5	-
	Sitting Fees	8	-	2	-	-
Mr. S.Rajagopal	Commission Paid	8	8	13	13	8
	Sitting Fees	9	-	5	-	-
Mr. Salil Kumar Gupta (ceased w.e.f. 22.07.2017)	Commission Paid	-	-	-	-	10
	Sitting Fees	-	-	3	-	-
Mr. S.Chatterjee	Commission Paid	8	8	15	15	13
	Sitting Fees	14	-	10	-	-
Dr. Punita Kumar Sinha	Commission Paid	8	8	15	15	13
	Sitting Fees	8	-	6	-	-
Mr. Ram Krishna Agarwal	Commission Paid	8	8	15	15	8
	Sitting Fees	7	-	3	-	-

Notes to Financial Statements (Contd.)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance As at	For the Year ended	Balance As at	Balance As at
		31st March, 2019		31st March, 2018		1st April, 2017
Mr. T. C. A. Ranganathan (Upto 07.12.2017)	Commission Paid	-	-	-	-	8
	Sitting Fees	-	-	4	-	
Dr. Tamali Sengupta	Sitting Fees	1	-	2	-	-
	Commission Paid	-	-	-	-	8
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Sitting Fees	4	-	-	-	-
	Consultancy	70	-	-	-	-
(E) Transaction with Relative of KMP:						
Mr. Anant Raj Kanoria (Son of Mr. Sunil Kanoria)	Consultancy	6	-	6	-	-
Sandeep Lakhotia (HUF), (HUF of Mr. Sandeep Lakhotia)	Sale of Motor Vehicle	-	-	1	-	-
(F) Enterprise over which KMP has significant influence:						
India Power Corporation Limited (significant influence w.e.f. 01.06.2017))	Rental Received	-	-	882	72	-
	Deposits Received	29,670	-	-	-	-
	Deposits Refunded	29,670	-	-	-	-
	Interest Paid on Deposits	84	-	-	-	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	20	-	-	-
(G) Others :						
Srei Infrastructure Finance Limited Employees Gratuity Fund	Contribution towards Gratuity	-	-	-	-	25

(H) Compensation to KMPs:

(₹ in Lacs)

Particulars	2018-19	2017-18
Short-term benefit	1,127	720
Other long-term employee benefit	29	18
Post-employment benefit	56	33

Notes to Financial Statements (Contd.)

40. Details of Loans/ Advances to Subsidiary Companies and Associates

(₹ in Lacs)

Name of the Company $	Maximum Amount Outstanding during		Amount Outstanding as at 31st March, *	
	2018-19	2017-18	2019	2018
Sahaj e-Village Limited	14,927	19,786	14,726	12,091
Rural Innovation Labs Pvt. Ltd	514	391	-	391
Bengal Srei Infrastructure Development Limited	145	135	145	135
Controlla Electrotech Private Limited	2,400	2,400	-	2,400
Srei Alternative Investment Managers Limited	700	250	698	250
Quippo Energy Pivate Ltd (ceased to be a subsidiary w.e.f. 28.03.2019)	5,321	4,488	-	4,139
Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f. 31.03.2019)	14,989	1,619	-	1,540
Attivo Economic Zone (Mumbai) Pvt Ltd (ceased to be Associate w.e.f. 29.09.2018)	-	32,262	-	-
Srei Insurance Broking Private Limited	100	272	-	100
IIS International Infrastructure Services GmbH, Germany	-	296	-	-
Srei Mutual Fund Trust Private Limited	-	3	-	3

*Refer Note No. 39

$ Subsidiary and Associates are as per Ind AS.

41. LEASES

a. In the capacity of Lessee

(i) The Company has certain cancellable operating lease arrangements for office premises and equipments, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals. Lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to ₹ 957 Lacs (Previous Year: ₹ 866 Lacs).

Contingent rent recognised for agreements which stipulate rent payment based on usage is ₹ Nil (Previous year ₹ Nil).

(ii) Further, the Company had certain non-cancellable operating lease arrangements for office premises, which was of 21 years and was renewable by mutual consent on mutually agreeable terms. Based on mutual understanding between parties, the agreement was terminated during the previous year. In respect of such arrangements, lease payments for the previous year aggregating to ₹ Nil (Previous year ₹ 4 Lacs) have been recognised in the Statement of Profit and Loss.

The future lease payments in respect of the above non-cancellable operating leases are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Not later than 1 year	-	-	8
Later than 1 year but not later than 5 years	-	-	34
Later than 5 years	-	-	61
Total	**-**	**-**	**103**

(iii) Sub lease payments received (or receivable) recognised in the Statement of Profit and Loss for the year is ₹ 1,474 Lacs (Previous year ₹ 1,333 Lacs). Future minimum sublease payments expected to be received under non-cancellable subleases is ₹ Nil (Previous year ₹ 875 Lacs).

Notes to Financial Statements (Contd.)

b. In the capacity of Lessor

(i) The Company has given assets on Operating lease (*refer Note No. 12*) for periods ranging between 5 to 15 years. Some of these lease agreements stipulate rental computation on the basis of earnings of the Lessee. Such contingent rent recognised during the year is ₹ 850 Lacs (Previous year ₹ 3,173 Lacs).

The future minimum lease receivables in respect of non-cancellable operating leases are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Not later than 1 year	-	213	213
Later than 1 year but not later than 5 years	-	61	274
Later than 5 years	-	-	-
Total	**-**	**274**	**487**

(ii) The Company also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms. Further, the Company had non-cancellable arrangement which is of 3 years and was renewable by mutual consent on mutually agreeable terms. In respect of non-cancellable arrangements, lease earning for the year aggregating to ₹ 1 Lacs (Previous year ₹ 2 Lacs) have been recognised in the Statement of Profit and Loss.

The future minimum lease receivables in respect of non-cancellable operating leases are as follows:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Not later than 1 year	-	1	1
Later than 1 year but not later than 5 years	-	-	1
Later than 5 years	-	-	-
Total	**-**	**1**	**2**

Notes to Financial Statements (Contd.)

42. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Lacs)

Assets	As at March 31st, 2019			As at March 31st, 2018			As at April 1st, 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	9,100	-	9,100	31,154	-	31,154	27,712	-	27,712
Bank Balance other than above	11,078	446	11,524	34,296	446	34,742	28,568	446	29,014
Derivative Financial Instruments	2,526	-	2,526	4,069	-	4,069	4,392	-	4,392
Trade Receivables	16,957	-	16,957	2,205	-	2,205	1,519	-	1,519
Other Receivables	-	-	-	-	-	-	8,913	-	8,913
Loans*	2,82,480	6,56,514	9,38,994	3,34,889	7,44,948	10,79,837	3,52,760	7,09,765	10,62,525
Investments	83,019	3,35,189	4,18,208	7,434	4,01,370	4,08,804	13,818	4,33,098	4,46,916
Other Financial Assets	20,481	13,464	33,945	16,010	22,347	38,357	20,784	20,695	41,479
Current Tax Assets (Net)	13,749	-	13,749	13,034	-	13,034	16,029	-	16,029
Deferred Tax Assets (Net)	-	1,731	1,731	-	672	672	-	-	-
Property, Plant and Equipment	-	49,900	49,900	-	60,674	60,674	-	63,415	63,415
Capital Work-in-Progress	-	489	489	-	537	537	-	1,052	1,052
Other Intangible Assets	-	34	34	-	101	101	-	166	166
Other Non-Financial Assets	53,667	6,266	59,933	1,32,737	6,522	1,39,259	46,177	7,456	53,633

Notes to Financial Statements (Contd.)

Liabilities	As at March 31st, 2019			As at March 31st, 2018			As at April 1st, 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Derivative Financial Instruments	423	-	423	815	-	815	1,793	-	1,793
Trade Payables	1,320	-	1,320	80,356	-	80,356	92,496	-	92,496
Debt Securities	70,137	79,987	1,50,124	41,455	1,50,333	1,91,788	42,914	1,59,562	2,02,476
Borrowings (Other than Debt Securities)	3,12,925	6,23,260	9,36,185	4,39,349	6,50,795	10,90,144	3,64,556	6,29,698	9,94,254
Subordinated Liabilities	23,850	1,17,428	1,41,278	7,465	1,03,888	1,11,353	8,258	1,08,307	1,16,565
Other Financial Liabilities	20,620	3,582	24,202	22,296	4,560	26,856	23,147	3,887	27,034
Provisions	327	279	606	266	180	446	336	233	569
Deferred Tax Liabilities (Net)	-	-	-	-	-	-	-	3,593	3,593
Other Non-Financial Liabilities	2,607	1,637	4,244	1,573	2,136	3,709	6,540	4,695	11,235

* The Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the Company, amounting to ₹ 365,832 lacs, which have been considered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lacs)

Assets	As at March 31st, 2019			As at March 31st, 2018			As at April 1st, 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Loans	2,07,231	1,58,601	3,65,832	-	-	-	-	-	-

43. Information as required by Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is furnished vide Annexure – I attached herewith. These disclosures are prepared under Ind AS issued by MCA.

44. Figures pertaining to the previous year have been rearranged / regrouped, wherever necessary, to make them comparable with those of current year.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Place: Kolkata
Date: 25th May, 2019

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Annexure I To Notes To Financial Statements Refer Note No. 43

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

1 Capital to Risk Assets Ratio (CRAR)

(₹ in Lacs)

Sl.	Particluars	As at 31st March, 2019	As at 31st March, 2018
i)	CRAR (%)	15.57	17.60
ii)	CRAR – Tier I Capital (%)	10.79	13.71
iii)	CRAR – Tier II Capital (%)	4.78	3.89
iv)	Amount of subordinated debt raised as Tier-II capital *	-	2,702
v)	Amount raised by issue of Perpetual Debt Instruments *	32,000	-

* During the year figure

2 Exposure to Real Estate Sector

(₹ in Lacs)

	Category	As at 31st March, 2019	As at 31st March, 2018
a)	**Direct exposure**		
i)	Residential Mortgages	-	-
ii)	Commercial Real Estate	-	-
iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
iv)	Infrastructure Real Estate (SEZ's, Industrial Parks, IT Parks, Hotels)	1,54,936	1,54,311
b)	**Indirect exposure**	**-**	**-**

3 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March, 2019 are as follows:

(₹ in Lacs)

Particulars	Upto 30/31 days (one month)	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits (Unclaimed)	1								1
Advances (refer note-1, 4 & 6 below)	49,997	63,920	76,885	42,914	1,19,073	2,26,437	4,09,639	1,22,419	11,11,284
Investments [refer note-2 below]	-	-	7,817	-	75,202	15,275	18,450	3,01,464	4,18,208
Borrowings (refer note-3, 4 & 5 below)	48,827	60,109	73,753	41,993	1,77,929	3,22,135	3,42,023	1,06,016	11,72,785
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities (refer note-4 below)	-	-	2,134	512	2,646	5,928	9,662	4,831	25,713

Notes:

1 Advances represent the maturity pattern of gross loan assets, assets acquired in satisfaction of debt and rentals on operating lease assets.

2 The maturity pattern of Investments has been considered on the basis of Managements best estimates.

3 The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in ratio of the maturity pattern of Advances.

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

4 The amount of Advance and Borrowings considered above is as per commercial terms & without adjusting origination fees or cost being part of EIR.

5 Perpetual Debt Instruments amounting to ₹ 32,000 lacs are not having fixed due date for repayment and therefore, not considered in the above maturity pattern.

6 The Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the Company, amounting to ₹ 365,832 lacs, which have been considered in "Advances" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in Lacs)

Particulars	Upto 30/31 days (one month)	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Advances	-	43,700	51,704	19,605	92,222	1,40,869	17,732	-	3,65,832

Maturity pattern of certain items of assets and liabilities as at 31st March, 2018 are as follows:

(₹ in Lacs)

Particulars	Upto 30/31 days (one month)	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits (Unclaimed)	1	-	-	-	-	-	-	-	1
Advances (refer note-1 & 4 below)	52,804	30,721	87,301	1,50,994	1,97,308	2,93,206	3,11,169	2,68,196	13,91,699
Investments [refer note-2 below]	983	6,452	-	-	-	73,584	16,563	3,11,222	4,08,804
Borrowings (refer note-3 & 4 below)	48,507	32,962	66,094	1,51,461	1,80,493	3,76,185	3,27,137	1,61,762	13,44,601
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities (refer note-4 below)	2,172	-	2,832	529	3,904	8,532	7,886	26,562	52,417

Notes:

1 Advances represent the maturity pattern of gross loan assets, assets acquired in satisfaction of debt and rentals on operating lease assets.

2 The maturity pattern of Investments has been considered on the basis of Managements best estimates.

3 The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in ratio of the maturity pattern of Advances.

4 The amount of Advance and Borrowings considered above is as per commercial terms & without adjusting origination fees or cost being part of EIR.

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in Lacs)

Particulars		As at 31st March, 2019		As at 31st March, 2018	
Liabilities Side:		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
4	**Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid:**				
	(a) Debentures/ Bonds:				
	Secured	1,67,358	249#	2,07,462	-
	Unsecured (Other than falling within the meaning of public deposit)	1,29,196	-	1,04,232	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	2,30,612	-	2,65,514	-
	(d) Inter-corporate loans and borrowing	6,980	-	1,059	-
	(e) Commercial Papers	51,192	-	79,483	-
	(f) Public Deposit* (*refer Note No. 18.2 of the Notes to the Financial Statements*)	1	1#	1	1#
	(g) Other Loans:				
	Working capital facility	6,63,487	79##	7,57,316	137##
	Break-up of (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	1	1#	1	1#

*Please see note 1 below

#Represent amounts Unclaimed.

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

##Represent amounts not debited by Bank towards working capital facility under direct debit instructions.

(₹ in Lacs)

Assets Side:		As at 31st March, 2019 Amount Outstanding	As at 31st March, 2018 Amount Outstanding
5	**Break-up of Loans and Advances including bills receivables [other than those included in (6) below]:**		
	(a) Secured	10,18,028	11,92,729
	(b) Unsecured	2,105	27,302
6	**Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
7	**Break up of Investments $**		
	Current Investments		
	1 Quoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2 Unquoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	Long-Term investments		
	1 Quoted:		
	(i) Shares: (a) Equity	22,451	39,564
	(b) Preference	-	-
	(ii) Debentures and bonds	1,959	4,997
	(iii) Units of mutual funds	0.04	0.04
	(iv) Government Securities	-	-
	(v) Others	-	-
	2 Unquoted:		
	(i) Shares: (a) Equity	2,41,545	2,35,326
	(b) Preference	11,325	9,781
	(ii) Debentures, bonds / units	66,535	42,084
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Investment in Funds, Trust, Share Warrant & Deemed Investment)	74,393	77,052

$The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA. All investment are considered as Long term investment for

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

above disclosure.

8 Borrower group-wise classification of assets financed as in (5) and (6) above:

(₹ in Lacs)

Category	As at 31st March, 2019 Amount net of provisions*			As at 31st March, 2018 Amount net of provisions*		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties**						
(a) Subsidiaries	831	-	831	5,841	-	5,841
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	14,528	-	14,528	12,330	-	12,330
2 Other than related parties	9,21,691	1,944	9,23,635	10,53,009	8,657	10,61,666
Total	9,37,050	1,944	9,38,994	10,71,180	8,657	10,79,837

* Please see note 2 below

** As per Ind AS issued by MCA (Please see note 3 below)

9 Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) @:

(₹ in Lacs)

Category	As at 31st March, 2019		As at 31st March, 2018	
	Market Value / Break up or fair value or NAV *	Book Value (net of provisions)	Market Value / Break up or fair value or NAV *	Book Value (net of provisions)
1 Related Parties **				
(a) Subsidiaries	2,93,554	2,16,815	2,62,582	2,26,973
(b) Companies in the same group	-	-	-	-
(c) Other related parties	9,428	9,158	13,958	8,789
2 Other than related parties	1,92,235	1,92,235	1,73,042	1,73,042
Total	4,95,217	4,18,208	4,49,582	4,08,804

*Break up value have been considered for unquoted equity investment in 'Subsidiaries' and in 'Other related parties', other than those measured at fair value.

**As per Ind AS issued by MCA (Please see note 3 below)

@The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Ind AS issued by MCA. All investment are considered as Long term investment for above

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

disclosure.

10 Other Information:

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Amount	Amount
i. Gross Non-Performing Assets [$]		
(a) Related Parties	-	-
(b) Other than related Parties	2,38,607	2,61,385
ii. Net Non-Performing Assets [$]		
(a) Related Parties	-	-
(b) Other than related Parties	1,84,157	1,41,143
iii. Assets acquired in satisfaction of debt *(refer Note No. 9 of the Notes to the Financial Statements)*	22,785	1,29,257

[$] NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes:

1. As defined in point xxvi of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

2. Provisioning norms shall be applicable as prescribed in Ind AS issued by MCA.

3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets acquired in satisfaction of debt.

11 Investments

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1)	Value of Investments		
	i) Gross Value of Investments		
	a) In India	4,25,839	4,13,397
	b) Outside India,	-	-
	ii) Provisions for Depreciation		
	a) In India	7,631	4,593
	b) Outside India,	-	-
	iii) Net Value of Investments		
	a) In India	4,18,208	4,08,804
	b) Outside India,	-	-

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

2)	Movement of provisions held towards depreciation on investments		
	i) Opening Balance	4593	-
	ii) Add : Provisions made during the year	3038	4593
	iii) Less : Write-off / write-back of excess provisions during the year	-	-
	iv) Closing Balance	7631	4593

12 Forward Rate Agreement / Interest Rate Swap

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2019	As at 31st March, 2018
i)	The notional principle of swap agreements	16,596	21,615
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps	Nil	Nil
v)	The fair value of the swap book @	410	752

@ The fair value is the estimated amount that the Company will receive or pay to terminate the swap agreements as on the balance sheet date.

13 Exchange Traded Interest Rate (IR) Derivatives

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2019	As at 31st March, 2018
i)	Notional Principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Nil	Nil
ii)	Notional Principal amount of exchange traded IR derivatives outstanding (instrument-wise)	Nil	Nil
iii)	Notional Principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

14 Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

The structure and organization for management of risk in derivatives trading, is not applicable since the Company is not engaged in derivative trading.

Besides other market risks / core functions, Asset Liability Committee (ALCO) manages the Foreign Currency and Interest Rate Risks also. The Company has put in place the policies for hedging / mitigating risks / strategies and processes for continuous monitoring of risks, which will enable the Company to quantify risk, both on account of Foreign Currency and Interest Rate Risks. Apart from ALCO there is a Risk Committee of the Board which guides the Company in these risks.

The Board has delegated authority to Company officials in the Forex Treasury department for entering into Generic derivative products besides Forward Contracts, on behalf of the Company, to hedge the Foreign Currency and Interest Rate Risk exposures.

The Company has a Market Risk Policy which paves the way for risk reporting and risk monitoring systems. The marked-to-market values are obtained from the banks with whom the hedge deals are done.

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(ii) Quantitative Disclosures

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount)				
	For hedging	41,310	16,596	44,724	21,615
ii)	Marked to Market Positions [1]				
	a) Asset (+)	2,116	410	3,297	772
	b) Liability (-)	(423)	-	(795)	(20)
iii)	Credit Exposure [2]	Nil	Nil	Nil	Nil
iv)	Unhedged Exposures	-	26,821	3,259	30,803

15 Exposure to Capital Market

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2019	As at 31st March, 2018
i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	3,07,531	3,10,274
ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	20,137	51,135
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	bridge loans to companies against expected equity flows / issues;	-	-
viii)	all exposures to Venture Capital Funds (both registered and unregistered)	35,561	38,839
Total Exposure to Capital Market		**3,63,229**	**4,00,248**

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

16 Provisions and Contingencies

(₹ in Lacs)

Sl.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at 31st March, 2019	As at 31st March, 2018
i)	Provisions for depreciation on Investment	3,038	4,593
ii)	Provision for Impairment on Loans (*refer Note No. 28 of the Notes to the Financial Statements*)	13,168	20,765
iii)	Provision made towards Income tax	2,794	3,786
iv)	Provision for Standard Assets#	-	-
v)	Other Provision and Contingencies (with details)		
	Provision for Impairment on other financial assets	311	(427)

#Provision for standard assets is included in Provision for Impairment on Loans.

17 Concentration of Advances

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total Advances to twenty largest borrowers	6,60,274	6,56,467
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	62.86%	52.13%

18 Concentration of Exposures

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total Exposure to twenty largest borrowers / customers	6,71,756	6,79,124
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	45.51%	40.60%

19 Concentration of NPAs @

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total Exposure to top four NPA accounts	1,17,718	1,35,702

@NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

20 Sector-wise NPAs

(₹ in Lacs)

Sl.	Sector	As at 31st March, 2019	As at 31st March, 2018
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	25.02	22.81
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Others	0.14	-

21 Movement of NPAs[$]

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2019	As at 31st March, 2018
i)	Net NPAs to Net Advances (%)	19.00%	12.61%
ii)	Movement of NPAs (Gross)		
	a) Opening Balance	2,61,385	2,60,589
	b) Additions during the year	1,54,558	78,796
	c) Reductions during the year	1,77,336	78,000
	d) Closing Balance	2,38,607	2,61,385
iii)	Movement of Net NPAs		
	a) Opening Balance	1,41,143	1,21,454
	b) Additions during the year	1,18,472	48,142
	c) Reductions during the year	75,458	28,453
	d) Closing Balance	1,84,157	1,41,143
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening Balance	1,20,242	1,39,135
	b) Provisions made during the year	36,086	30,654
	c) Write-off / write-back of excess provisions	1,01,878	49,547
	d) Closing Balance	54,450	1,20,242

[$]NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

22 Details of Non-performing Loan Assets purchased from other NBFCs

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2019	As at 31st March, 2018
(i)	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
(ii)	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding	-	-

23 Details of Non-performing Loan Assets sold to other NBFCs

(₹ in Lacs)

Sl.	Particulars	As at 31st March, 2019	As at 31st March, 2018
i)	No. of accounts sold	-	-
ii)	Aggregate outstanding	-	-
iii)	Aggregate consideration received	-	-

24 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

(₹ in Lacs)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets as on 31st March, 2019	Total Assets as on 31st March, 2018
IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	"i) Infrastructure Opportunities Singapore Pte. Ltd. (Holding 46.92%) ii) Various other Parties (Holding 3.95%)"	Germany	3,386	10,386

25 Ratings

Sl.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		CARE	Brickwork	CARE	Brickwork
i)	Long Term Banking facilities	CARE A+		CARE A+	
ii)	Short Term Banking Facilities	CARE A1+		CARE A1+	
iii)	Short Term Debt Instruments	CARE A1+	BWR A1+	CARE A1+	BWR A1+
iv)	NCDs / Bonds	CARE A+	BWR AA+	CARE A+	BWR AA+
v)	Unsecured Subordinated / Tier-II Debentures / Bonds	CARE A	BWR AA+	CARE A	BWR AA+

CARE: CARE Ratings Limited; Brickwork: Brickwork Ratings

Detail of migration of ratings:

Sl.	Particulars	2018-19	2017-18
i)	NCDs / Bonds	Nil	Nil
ii)	Unsecured Subordinated / Tier-II Debentures / Bonds	Nil	Nil

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

26 Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

(₹ in Lacs)

Sl.	Particulars	2018-19	2017-18
i)	No. of accounts	2	1
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	38,000	-
iii)	Aggregate consideration	38,000	100
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / (loss) over net book value	-	100

27 Details of Security receipts held by Company is as below:

(₹ in Lacs)

Particulars	Backed by NPAs sold by the Banks/ FIs/NBFC's as underlying		Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Under Investment	27,968	26,510	-	-	27,968	26,510
Under Loans	20,400	85	-	-	20,400	85

28 Details of Assignment transactions undertaken

(₹ in Lacs)

Sl.	Particulars	2018-19	2017-18
i)	No. of accounts	-	-
ii)	Aggregate value (net of provisions) of accounts sold	-	-
iii)	Aggregate consideration	-	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / (loss) over net book value	-	-

29 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the applicable NBFC

The Company has not exceeded the Prudential exposure limits during the current year and previous year in respect of exposure towards single borrower and group of borrowers.

30 Unsecured Advances

Unsecured advance as at 31st March, 2019 is ₹ 2,105 Lacs (Previous year ₹ 27,302 Lacs) and it includes advances amounting to ₹ Nil (Previous year ₹ Nil) for which intangible securities such as charge over rights, licences, authority, etc., has been taken as collateral.

31 Registration obtained from other financial sector regulators

The Company received a Certificate of Registration from the Reserve Bank of India ('RBI') on 1st August, 1998 to commence / carry on the business of Non-Banking Financial Institution ('NBFI') and was subsequently classified as Infrastructure Finance Company vide Certificate of Registration dated 11th May, 2010. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956.

Annexure I To Notes To Financial Statements Refer Note No. 43 (Contd.)

Disclosure of details as required in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

32 Disclosure of Penalties imposed by RBI and other regulators

No penalites has been imposed by RBI and other regulators during the financial year ended 31st March, 2019 and 31st March, 2018.

33 Draw Down from Reserves

Details of draw down from Reserves is disclosed in Note No. 22 of the Notes to the Financial Statements.

34 Off-balance Sheet SPVs sponsored

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Domestic	Overseas	Domestic	Overseas
Name of SPV sponsored	Nil	Nil	Nil	Nil

35 Details of Financing of Parent Company Products

Financing of Parent Company Products during the financial year ended 31st March, 2019 is Nil (Previous year Nil).

36 The Company has not done any Securitisation during the financial year ended 31st March, 2019 and 31st March, 2018.

37 Customer Complaints

Sl.	Particulars	2018-19	2017-18
a)	No. of complaints pending at the beginning of the year	Nil	Nil
b)	No. of complaints received during the year	Nil	Nil
c)	No. of complaints redressed during the year	Nil	Nil
d)	No. of complaints pending at the end of the year	Nil	Nil

INDEPENDENT AUDITOR'S REPORT

To the Members of

Srei Infrastructure Finance Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Srei Infrastructure Finance Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"),its associates and trust, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and trust, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the consolidated state of affairs of the Group, its associates and trust as at March 31, 2019, their consolidated profit (including other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its associates and trust in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph hereinbelow, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1.Transition to Ind AS

The Company has adopted Ind AS notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Ind AS are new and complex accounting standards which require considerable judgment and interpretation in their implementation. Further, Ind AS 101 ("First-time Adoption of Indian Accounting Standards") allows two categories of exceptions to the first-time adopters, which mainly includes prohibition to retrospective application of certain requirements of (Ind AS) and exemption from some requirements of Ind AS. We consider this transition and the required disclosures to be a key audit matter because new accounting policies have been adopted by the Company to comply with these standards. Note No.1 "Significant Accounting Policies", Note No.34 "First Time Adoption" and Note No.37 "Financial Instruments and Related Disclosures" to the consolidated financial statements provide detailed information on the significant policies, critical judgment and estimation along with details of exemptions applied from certain requirements under (Ind AS), based on which these consolidated financial statements are prepared.

Principal Audit Procedures:

We have performed the following audit procedures in order to obtain sufficient audit evidence:

- Assessed the Company's process to identify the impact of adoption and transition to the new accounting standards;
- Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of the consolidated financial statements;
- Reviewed the exemptions availed by the Company from certain requirements under Ind AS;
- Obtained an understanding of the determination of key judgments;
- Evaluated and tested the key assumptions and judgments adopted by management;
- Assessed the disclosures made against the relevant Ind AS; and
- Determined the appropriateness of the methodologies and models used along with the reasonability of the outputs.

2. Impairment loss allowance of loans and advances- reported by us and the auditor of Srei Equipment Finance Limited

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a key audit matter as the Company and the subsidiary has significant credit risk exposure. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved for the Company and the subsidiary in estimating individual and collective credit impairment provisions and write-offs against these loans. The Company and the subsidiary's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the three-stage impairment model ("ECL Model"), including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact the accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

Principal Audit Procedures:

The audit procedures followed by us and the principal audit procedure reported by the Component Auditor is given below:

- Obtained an understanding of the internal control environment related to Impairment loss allowance. The procedures over internal controls focused on recognition and measurement of impairment loss allowance. Assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company and the subsidiary.
- Assessed whether the impairment methodology used by the Company and the subsidiary is in line with the requirements of Ind AS 109, "Financial instruments". More particularly, assessed the approach of the Company and the subsidiary regarding the definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.

For loans and advances which are assessed for impairment on a portfolio basis, particularly the following procedures were performed:

- tested the reliability of key data inputs and related management controls;
- checked the stage classification as at the balance sheet date as per definition of default;
- validated the ECL model and calculation by involving our Information Technology Expert;
- calculated the ECL provision manually for a selected sample; and
- assessed the assumptions made by the Company in making accelerated provision, considering forward looking information and based on the status of a particular industry as on the reporting date.

For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regard along with its compliance on sample basis.

For loss allowances, the component auditor had independently assessed the appropriateness of provisioning methodologies and policies for a sample of loans selected

across the portfolio. An independent view was formed on the levels of provisioning based on the detailed loan and counterparty information available. This also included review of Specific Provision Review Committee minutes and discussion with senior management including the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and Chief Credit Officer.

3. Valuation of unquoted financial assets held at fair value

The valuation of the Company's unquoted financial assets held at fair value is a key audit matter due to the significance of the amount and complexity involved in the valuation process.

Management makes significant judgments because of the complexity of the techniques and assumptions used in valuing some of the level 3 investment securities given the limited external evidence and unobservable market data available to support the Company's valuations.

The valuation of the level 3 investment securities are dependent on market conditions and key assumptions made. The determination of these assumptions is complex and requires the exercise of management judgment.

Principal Audit Procedures:

We have performed the following audit procedures in order to obtain sufficient audit evidence:

- assessed the valuation methodologies including evaluation of independent external valuers' competence, capability and objectivity.
- assessed the reasonableness of key assumptions based on our knowledge of the business and industry.
- checked, on a sample basis, the accuracy and relevance of the input data used.

4. Fair Valuation of Claims Receivables:(as reported by the auditor of Srei Equipment Finance Limited)

Claims Receivables amounts to ₹. 21,022 lacs as at March 31,2019 and has been recognized as financial assets measured at Fair Value through Profit and Loss in the Subsidiary Company's financial statements.

Determination of fair value and recoverability of the Claims Receivables has been identified as a Key Audit Matter, by the component auditor, as the same is based on unobservable inputs and subjective assumptions.

Principal Audit Procedures:

The Principal Auditors have used the work of Component Auditor. The Component Auditor has reported that they have performed the following procedures:

- Obtaining audit evidence in respect of key controls over the management judgments and the assumptions-setting processes including judgments regarding expected realization date and value.
- Assessing the underlying legal due diligence reports, examining the underlying agreements and assessing the progress of the claims during the period.
- Obtaining independent confirmation from lawyers regarding the legal status of the underlying claims and opinion regarding their assessment on the recoverability of the claims.
- Evaluating the competencies, capabilities and objectivity of the external legal counsels.

5. Key Information Technology (IT) systems which impact financial reporting process: (as reported by the auditor of Srei Equipment Finance Limited)

The IT system within the Company form a critical component of the Subsidiary Company's financial reporting activities and impact all account balances. Certain key operational and financial processes of the Subsidiary Company like origination of loans, revenue recognition etc. are highly dependent on IT systems due to large volume of transactions that are processed daily.

IT controls, in the context of our scope for the financial audit, primarily relate to access security and change control. The purpose of such controls is to prevent inappropriate changes being made to IT systems in relation to application functionality, transactional processing and direct changes to underlying data.

Principal Audit Procedures:

The Principal Auditors have used the work of Component Auditor. The Component Auditor has reported that they have performed the following procedures:

Involved our IT specialist to obtain an understanding of the entity's IT related control environment. Furthermore, we conducted a risk assessment and identified IT applications, databases and operating systems that are relevant to their audit.

For the key IT systems relevant to financial reporting, our areas of audit focus included Access Security (including controls over privileged access) and Program Change controls. In particular:

- Identified the IT risks for each IT system based on our understanding of the flows of transactions and the IT environment.
- Determined whether each general IT control, individually or in combination with other controls, is appropriately designed to address the associated IT risk.
- Tested the design, implementation and operating effectiveness of the relevant general IT controls.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Report on Corporate Governance and does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Directors' Report including Annexures to Directors' Report, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance(including other comprehensive income),consolidated changes in equity and consolidated cash flows of the Group, its associates and trust in accordance with the Ind AS specified under section 133 of the Act, read with the relevant rules issued thereunder and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associates and the trustees of the trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/other relevant regulations applicable, for safeguarding of the assets of the Group, its associates and trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associates and the trustees of the trust are responsible for assessing the ability of the Group, its associates and the trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associates and the trustees of the trust are also responsible for overseeing the financial reporting process of the Group, its associates and trust.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance

with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company, its subsidiaries and its associates, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associates and trust to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associates and trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associates and trust to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of eleven subsidiaries, whose financial statements reflect total assets of ₹ 26,67,772 lacs as at March 31,2019, total revenues of ₹ 4,39,295 lacs and net cash inflows

amounting to ₹ 18,962 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss(including other comprehensive income) of Rs. Nil for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of the trust, whose financial statements reflect total assets of ₹ 1 Lakh as at March 31, 2019, total revenues of Rs. Nil and net cash inflows/outflows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 28 lacs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited, have been certified by the trustees of the trust /management of the associate and furnished to us by the Management of the Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the trust and the associate and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid trust and the associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management of the Company, these unaudited financial statements are not material to the consolidated financial statements.

The financial statements of a foreign associate company of the Company has been prepared as per IFRS, generally followed in the country of incorporation of the foreign associate company. As explained by the Management of the Company in Note No. 48 of the consolidated financial statements, since there are no material differences between such financial statements as per IFRS and as per Ind AS, no adjustments have been considered necessary and it has been relied upon by us.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the unaudited financial statements certified by the trustees/management of the respective entities.

Report on Other Legal and Regulatory Requirements

(1) As required by section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the relevant rules issued thereunder;

e. On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company, the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and its associate company incorporated in India and the operating effectiveness of such controls, we give our separate report in the "Annexure".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and trust– Refer Note Nos. 9 and 33 to the consolidated financial statements;

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company, its subsidiary companies and its associate company incorporated in India.

(2) As required by section 197(16) of the Act, we report that in our opinion and to the best of our information and according to the explanations given to us by the Company and based on our reading of the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, the remuneration paid/provided by the Company, its subsidiary companies and associate company incorporated in India to their directors during the year is in accordance with the provisions of section 197 of the Act.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration Number: 103523W/W100048

Manoj Daga
Partner
Membership Number:048523

Place: Kolkata
Date: May 25, 2019

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (1)f under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the members of the Company on the consolidated financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of the Group and its associates, in respect of companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the entities of the Group and its associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to the respective Company's policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the entities of the Group and its associates, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group and its associates, in respect of companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements, in so far as it relates to eleven subsidiaries and one associates of the Company which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Kolkata
May 25, 2019

Consolidated Balance Sheet as at 31st March, 2019

(₹. in Lacs)

	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and Cash Equivalents	2	31,034	34,163	35,246
(b)	Bank Balance other than (a) above	3	1,69,116	1,15,964	62,169
(c)	Derivative Financial Instruments	4	8,242	8,055	12,344
(d)	Receivables				
	(I) Trade Receivables	5.1	28,236	15,309	9,861
	(II) Other Receivables	5.2	-	-	8,913
(e)	Loans	6	27,99,696	28,33,768	23,03,542
(f)	Investments	7	2,11,853	1,92,936	2,33,033
(g)	Other Financial Assets	8	81,653	91,554	82,164
(2)	**Non-Financial Assets**				
(a)	Inventories	10	-	2,634	2,203
(b)	Current Tax Assets (Net)	11	14,109	19,671	17,979
(c)	Deferred Tax Assets (Net)	12	19,417	26,388	31,894
(d)	Investment Property	13	1,801	1,838	1,874
(e)	Property, Plant and Equipment	14	5,01,178	5,05,311	2,95,594
(f)	Capital Work-in-Progress		489	390	854
(g)	Intangible assets under development		-	-	5
(h)	Goodwill on Consolidation		766	766	766
(i)	Other Intangible Assets	15	570	1,220	2,550
(j)	Other Non-Financial Assets	9	1,51,524	2,51,697	1,47,190
	TOTAL ASSETS		**40,19,684**	**41,01,664**	**32,48,181**
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Derivative Financial Instruments	4	5,725	5,210	6,115
(b)	Payables				
	(I) Trade Payables				
	(i) Total outstanding dues of micro enterprises and small enterprises	16	-	9	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,71,153	2,57,996	1,98,582
(c)	Debt Securities	17	3,34,859	3,13,080	3,00,255
(d)	Borrowings (Other than Debt Securities)	18	26,62,914	27,49,117	20,35,830
(e)	Subordinated Liabilities	19	3,24,657	2,94,155	2,74,958
(f)	Other Financial Liabilities	20	89,081	81,412	61,106
(2)	**Non-Financial Liabilities**				
(a)	Provisions	21	2,096	2,106	2,873
(b)	Other Non-Financial Liabilities	22	18,069	18,058	17,025
(3)	**Equity**				
(a)	Equity Share Capital	23	50,324	50,324	50,324
(b)	Other Equity	24	3,60,793	3,30,177	3,01,065
	Non-controlling Interests		13	20	48
	TOTAL LIABILITIES AND EQUITY		**40,19,684**	**41,01,664**	**32,48,181**
	Significant Accounting Policies and Notes to Consolidated Financial Statements.	1 to 49			

The Notes referred to above form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Place: Kolkata
Date: 25th May, 2019

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2019

(₹ in Lacs)

	Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
	REVENUE FROM OPERATIONS			
(i)	Interest Income	25	4,21,368	3,86,437
(ii)	Dividend Income		85	93
(iii)	Rental Income		1,27,989	85,383
(iv)	Fees and Commission Income		11,621	16,026
(v)	Net gain on fair value changes	26	9,274	9,677
(vi)	Net gain on derecognition of financial instruments under amortised cost		-	2,533
(vii)	Net gain on derecognition of financial instruments under fair value through profit or loss		28,344	1,123
(viii)	Sale of Traded Goods		1,081	824
(ix)	Sale of Services		30,519	21,215
(x)	Others		17,055	16,743
(I)	**Total Revenue from Operations**		**6,47,336**	**5,40,054**
(II)	Other Income	27	(366)	(89)
(III)	**Total Income (I+II)**		**6,46,970**	**5,39,965**
	EXPENSES			
(i)	Finance Costs	28	3,61,618	3,01,014
(ii)	Fees and Commission Expense		3,987	3,658
(iii)	Net loss on derecognition of financial instruments under amortised cost		7,608	-
(iv)	Impairment on Financial Instruments (Net)	29	47,059	38,873
(v)	Cost of Traded Goods		1,024	796
(vi)	Cost of Services		24,098	17,332
(vii)	Employee Benefits Expenses	30	26,035	24,947
(viii)	Depreciation, Amortisation and impairment Expense		81,510	63,677
(ix)	Administrative and Other Expenses	31	27,784	21,586
(x)	Impairment/Write-off on Assets acquired in satisfaction of debt		7,544	10,472
(IV)	**Total Expenses (IV)**		**5,88,267**	**4,82,355**
(V)	**Profit before Exceptional Items & Tax (III - IV)**		**58,703**	**57,610**
(VI)	Adjustment on disposal / cessation of Subsidiaries and Associate		8,085	33
(VII)	**Profit Before Tax (V+VI)**		**66,788**	**57,643**
(VIII)	Tax Expense:			
	(a) Current Tax		15,158	15,523
	(b) Deferred Tax		2,924	2,843
(IX)	**Profit After Tax but before Loss of Associates (VII-VIII)**		**48,706**	**39,277**
(X)	Share of Profit/ (Loss) of Associates		(28)	(1,548)
(XI)	**Profit After Tax (IX+X)**		**48,678**	**37,729**
(XII)	**Other Comprehensive Income/(Expense)**			
	(i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurement Gains/ (Losses) on Defined Benefit Plan		(29)	984
	(b) Gains/ (Losses) on Equity Instruments through Other Comprehensive Income		(16,494)	(7,110)
	(c) Tax related to above		3,858	797
	(ii) Items that will be reclassified to Profit or Loss			
	(a) Exchange difference in translating the financial statements of a foreign operation		-	(96)
	(b) Effective portion of gains and losses on hedging instruments in a cash flow hedge		(643)	104
	(c) Gains on fair valuation of loans		6,290	4,616
	(d) Tax related to above		(1,976)	(1,649)
	Total Other Comprehensive Income/(Expense) (XII)		**(8,994)**	**(2,354)**
(XIII)	**Total Comprehensive Income/(Expense) for the period (XI+XII)**		**39,684**	**35,375**
(XIV)	**Profit for the period attributable to:**			
	-Owners of the parent		48,685	37,757
	-Non-controlling interest		(7)	(28)
(XV)	**Other Comprehensive Income/(Expense) for the period attributable to:**			
	-Owners of the parent		(8,994)	(2,354)
	-Non-controlling interest		-	-
(XVI)	**Total Comprehensive Income/(Expense) for the period attributable to:**			
	-Owners of the parent		39,691	35,403
	-Non-controlling interest		(7)	(28)
(XVII)	**Earnings per Equity share (Basic and Diluted) (in ₹)**	32	9.68	7.50
	(Par Value ₹ 10/- per Equity Share)			
Significant Accounting Policies and Notes to Consolidated Financial Statements.		1 to 49		

The Notes referred to above form an integral part of the Consolidated Statement of Profit and Loss.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Place: Kolkata
Date: 25th May, 2019

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ in Lacs)

		Year ended 31st March, 2019	Year ended 31st March, 2018
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	66,788	57,643
	Adjustments for :		
	Net unrealised fair value (gain) / loss	(8,578)	(8,263)
	Net (gain) / loss on derecognition of Property, Plant and Equipment	1,211	16
	Interest on Income Tax Refund	(1,118)	(63)
	Liabilities No Longer Required written back	87	110
	Impairment on Financial Instruments	47,059	38,873
	Depreciation, Amortisation and Impairment Expense	81,510	63,677
	Net (gain) / loss on derecognition of Financial Instruments under amortised cost category	7,608	(2,533)
	Impairment/Write-off on Assets acquired in satisfaction of debt	7,544	10,472
	Operating profit before working capital changes	**2,02,111**	**1,59,932**
	Changes in Working Capital		
	Adjustments for :		
	(Increase) / Decrease in Trade Receivables and Others Assets	68,367	(1,18,588)
	(Increase) / Decrease in Loans Assets	3,135	(5,61,732)
	(Increase) / Decrease in Inventory	-	(431)
	Increase / (Decrease) in Trade Payables and Others Liabilities	(76,564)	81,283
	(Increase) / Decrease in Other Bank Balances	(53,726)	(53,795)
	Cash Generated / (used) in operations	**1,43,323**	**(4,93,331)**
	Direct Taxes Paid (net of refund)	(3,367)	(15,314)
	Net Cash (Used in) / Generated from Operating Activities	**1,39,956**	**(5,08,645)**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment/ Capital Work-in-Progress/ Intangible Assets	(1,05,727)	(2,76,100)
	Proceeds from Sale of Property, Plant and Equipment/Intangible assets	25,104	4,129
	(Increase) / Decrease in Investments (Other than Subsidiaries)	(32,324)	37,698
	Sale of Subsidiaries	168	-
	Net Cash (Used in) / Generated from Investing Activities	**(1,12,779)**	**(2,34,273)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from issuance of Debt securities (including subordinated debt securities) (Net)	52,530	31,581
	Increase / (Decrease) in Working Capital facilities (Net)	(24,475)	262,045
	Increase / (Decrease) in Other Borrowings (Net)	(52,296)	451,242
	Dividend Paid (including Corporate Dividend Tax)	(6,065)	(3,033)
	Net Cash (Used in) / Generated from Financing Activities	**(30,306)**	**7,41,835**
	Net Increase / (Decrease) in Cash and Cash Equivalents	**(3,129)**	**(1,083)**
	Cash & Cash Equivalents at the beginning of the year	**34,163**	**35,246**
	Cash and Cash Equivalents at the end of the year *(refer Note No. 2)*	**31,034**	**34,163**
	Net Cash (Used in) / Generated from Operating Activities includes:		
	Interest Received	4,24,062	3,85,196
	Interest Paid	3,55,973	2,99,201
	Dividend Received	85	93

(₹ in Lacs)

Components of cash and cash equivalents:	As at 31st March 2019	As at 31st March 2018
Cash and cash equivalents at the end of the year		
(a) Cash on hand	308	640
(b) Balances with Banks - in Current Account	30,591	11,057
(c) Fixed Deposits with original maturity period less than three months	135	340
(d) Cheques on Hand	-	22,126
	31,034	**34,163**

Explanations:

1. The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.
2. Previous year figures have been rearranged/ regrouped wherever necessary to conform to the current year's classification.

This is the Consolidated Statement of Cash Flow referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Place: Kolkata
Date: 25th May, 2019

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital

(₹ in lacs)

Particulars	Amount
As at 1st April, 2017	50,324
Changes in Equity share capital during the year	-
As at 31st March, 2018	50,324
Changes in Equity share capital during the year	-
As at 31st March, 2019	50,324

B. Other Equity

(₹ in lacs)

Particulars	Reserves and Surplus							Items of Other Comprehensive Income				Total	Non-Controlling Interests
	Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)	Income Tax Special reserve (pursuant to Section 36(1) (viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Bond/ Debenture Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Foreign Currency Translation Reserve	Fair valuation of loans through Other Comprehensive Income	Effective portion of Cash Flow Hedges		
Balance as at the 1st April, 2017 (restated)	**38,008**	**19,100**	**1,04,729**	**62,441**	**46,338**	**1,36,801**	**(1,37,354)**	**27,879**	**(135)**	**3,258**	**-**	**3,01,065**	**48**
Profit for the year	-	-	-	-	-	-	37,757	-	-	-	-	37,757	(28)
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	645	(5,906)	(96)	3,003	-	(2,354)	-
Reclassified to Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	(3,258)	-	(3,258)	-
Dividend and Corporate Dividend Tax	-	-	-	-	-	-	(3,033)	-	-	-	-	(3,033)	-
Transfer from retained earnings	7,740	4,521			4,769	-	(17,030)	-	-	-	-	-	-
Balance as at 31st March, 2018	**45,748**	**23,621**	**1,04,729**	**62,441**	**51,107**	**1,36,801**	**(1,19,015)**	**21,973**	**(231)**	**3,003**	**-**	**3,30,177**	**20**
Balance as at the 1st April, 2018	45,748	23,621	1,04,729	62,441	51,107	1,36,801	(1,19,015)	21,973	(231)	3,003	-	3,30,177	20
Profit for the year	-	-	-	-	-	-	48,685	-	-	-	-	48,685	(7)
Other Comprehensive Income (net of tax) *	-	-	-	-	-	-	(18)	(12,650)	-	4,092	(418)	(8,994)	-
Reclassified to Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-	-	-	(3,010)	-	(3,010)	-
Dividend and Corporate Dividend Tax	-	-	-	-	-	-	(6,065)	-	-	-	-	(6,065)	-
Transfer from retained earnings	7,765	113	-	-	2,513	-	(10,391)	-	-	-	-	-	-
Balance as at 31st March, 2019	**53,513**	**23,734**	**1,04,729**	**62,441**	**53,620**	**1,36,801**	**(86,804)**	**9,323**	**(231)**	**4,085**	**(418)**	**3,60,793**	**13**

* Includes charge for ₹ 18 lacs (Previous year: gain of ₹ 645 lacs) on account of remeasurement of defined benefit plans.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Place: Kolkata
Date: 25th May, 2019

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Kumar Sultania
Chief Financial Officer

Sandeep Lakhotia
Company Secretary

Significant Accounting Policies and Notes to Consolitaded Financial Statements

1 Significant Accounting Policies

1.1 Basis of preparation

The Consolidated financial statements relates to M/s. Srei Infrastructure Finance Limited (the "Company") and its subsidiary (together hereinafter referred to as "Group"), associates and Trust. The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards.

Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 1.23 -Significant accounting judgements, estimates and assumptions. The management believes that the estimates used in preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates and the differences between the actual results and the estimates would be recognised in the periods in which the results are known / materialised.

The Consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakh, except when otherwise indicated.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

1.2 Basis of Consolidation

(i) The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits in associates and interest in trust that are consolidated in a manner as explained below.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. The results of subsidiaries and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(i) The financial statements of the subsidiary companies, associate companies and Trust used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2019 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Group have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

(iii) The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary company and trust has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.

b) The excess of cost to the Company of its investments in the subsidiary company and trust over its share of equity/corpus of the subsidiary company/trust, at the dates on which the investments is made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity/corpus as on the date of investment is in excess of cost of investment of the Company, it is recognised under 'Other Equity', in the consolidated financial statements.

Significant Accounting Policies (Contd.)

c) The difference between the proceeds from disposal of investment in subsidiary/Trust and the carrying amount of its assets and liabilities as of the date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of subsidiary.

d) Minority interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments as stated above.

e) nvestment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.

(iv) The subsidiary/associate companies considered in the consolidated financial statements are as below:

Subsidiaries & Step-down Subsidiaries	Country of Origin	Share of ownership interest as at 31st March, 2019 (%)	Share of ownership interest as at 31st March, 2018 (%)	Share of ownership interest as at 1st April, 2017 (%)
Srei Capital Markets Limited	India	100	100	100
Srei Alternative Investment Managers Limited	India	100	100	100
Srei Infrastructure Advisors Limited (ceased to be Subsidiary w.e.f. 12.03.2018)	India	-	-	100
Controlla Electrotech Private Limited	India	100	100	100
Srei Mutual Fund Asset Management Private Limited	India	100	100	100
Srei Mutual Fund Trust Private Limited	India	100	100	100
Srei Insurance Broking Private Limited	India	100	100	100
Bengal Srei Infrastructure Development Limited (Step-down Subsidiary upto 11.03.2018 and became Subsidiary w.e.f. 12.03.2018)	India	51	51	51
Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51	51
Cyberabad Trustee Company Private Limited (Subsidiary of Srei Alternative Investment Managers Limited)	India	51	51	51
Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f 31.03.2019)	India	-	100	100
Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to be a sub- subsidiary w.e.f 31.03.2019)	India	-	100	100
Quippo Energy Limited (ceased to be a subsidiary w.e.f 28.03.2019)	India	-	100	100
Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	India	100	100	100

Significant Accounting Policies (Contd.)

Subsidiaries & Step-down Subsidiaries	Country of Origin	Share of ownership interest as at 31st March, 2019 (%)	Share of ownership interest as at 31st March, 2018 (%)	Share of ownership interest as at 1st April, 2017 (%)
Srei Equipment Finance Limited	India	100	100	100
Associates & Related Subsidiaries:				
Sahaj e-Village Limited	India	49.47	49.47	49.47
Attivo Economic Zone (Mumbai) Private Limited (ceased to be Associate w.e.f. 29.09.2018)	India	-	48.78	48.78
IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany	49.13	49.13	49.13
Trusts:				
Srei Mutual Fund Trust	India	100*	100*	100*

* holding % of Corpus

The accounting policies for some specific items are disclosed in the respective notes to the financial statements. Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 1.3 to 1.23.

1.3 Presentation of Financial Statements

The Consolidated financial statements of the Group, associates and trust are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on 25th May, 2019.

1.4 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs ("the MCA"), the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, from 1st April, 2018 and the effective date of such transition is 1st April, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("the RBI"), (collectively referred to as "the Previous GAAP").

Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from Previous GAAP to Ind AS of Other equity as at 1st April, 2017 and 31st March, 2018 and of the Total Comprehensive Income for the

Significant Accounting Policies (Contd.)

period ended 31st March, 2018. Refer Note No. 1.22 for the details of first-time adoption exemptions availed by the Group and Note No. 34 for Reconciliation of Equity and Total Comprehensive Income for numbers reported under Previous GAAP to Ind AS.

1.5 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

1.6 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from Operations is recognised in the consolidated statement of Profit and Loss on an accrual basis as stated herein below:

(a) Interest income from financial assets is recognised by applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets, other than credit-impaired assets and those classified as measured at Fair Value through Profit or Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVOCI). The basis of computation of EIR is discussed in Note No. 1.18.3.

Any subsequent changes in the estimation of the future cash flows having impact on EIR are recognised as interest income with the corresponding adjustment to the carrying amount of the assets.

(b) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and FVTOCI is recognised as discussed in Note No. 1.18.3.

(c) Interest Income on credit impaired financial assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(d) Rental income arising from non-cancellable operating leases is recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the users benefit. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.

(e) Interest income on fixed deposits/margin money is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(f) Revenue from Contract with Customers:

Revenue is recognised when transfer of control of promised goods or services to customers in an amount that reflects that the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised when related services are rendered and performance obligation is satisfied which is based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that

Significant Accounting Policies (Contd.)

creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the performance obligation is satisfied.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

(g) Income from dividend is recognised when the right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(h) Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

(i) Referral income and others income is recognized when it becomes due under the term of relevant mutually agreed arrangement.

(j) Revenue from sale of power is recognised to the extent of the Group's share of income of the jointly controlled operations arising out of sale of units generated as per the terms of the respective power purchase agreements with the State Electricity Boards.

1.7 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Assets given on operating leases are included in Property Plant and Equipment.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

For the revenue recognition policy on Lease Contracts, refer Note No. 1.6.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the consolidated statement of Profit and Loss, unless

Significant Accounting Policies (Contd.)

they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (refer Note No. 1.9). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.8 Foreign currency translation

(i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupee (INR) in lacs, the functional currency of the Group. Functional currency is the currency of the primary economic environment in which the Group operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the consolidated statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Foreign currency changes for non-monetary items measured at FVTOCI are recognised in other comprehensive income.

1.9 Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Interest expense includes origination costs that are initially recognised as part of the carrying value of the financial liability and amortized over the expected life using the EIR. It also include expenses related to borrowing which are not part of effective interest as not directly related to loan origination.

Significant Accounting Policies (Contd.)

1.10 Employee Benefits

Retirement benefit costs and other employee benefits

(A) Defined Contribution Plans:

Contributions to Provident Fund, Pension Fund and Employee State Insurance are considered as defined contribution plans and are recognised as expenditure when an employee renders related services.

(B) Defined Benefit Plans:

Gratuity Liability and Long Term compensated absences are defined benefit plan. The cost of providing benefits is determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected on the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected under retained earnings and is not reclassified to the consolidated statement of Profit & Loss.

(C) Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

1.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantially enacted at the reporting period.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company and its subsidiaries will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the consolidated statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each consolidated balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Deferred tax

The Group's deferred tax is calculated using tax rate that are substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if

Significant Accounting Policies (Contd.)

the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year

Current and deferred tax are recognised in the consolidated statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.12 Property, Plant and Equipment

Property, plant and equipment shown in the consolidated balance sheet consists of assets used in provision of services or for administrative purposes, and include assets leased by the Group as lessor under operating leases.

Initial and subsequent recognition

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the consolidated statement of Profit and Loss during the reporting period in which they are incurred.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of Profit and Loss.

Depreciation

Depreciation commences when the assets are ready for their intended use. It is recognised to write down the cost of assets less their residual values over their useful lives, using the straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Average useful life of the assets determined is as under:

Own Use Assets:

Assets description as per Note No. 14	Useful Life as per the Companies Act 2013	Useful Life as followed by the Group
Buildings	60 years	60 years
Furniture and Fixtures	10 years	10 years
Computer Equipment	3, 6 years	3,5,6 years
Motor Vehicles	8 years	7, 8 years
Office Equipment	5 years	5 years
Plant and Machinery	15, 22 years	8,15, 22 years

Significant Accounting Policies (Contd.)

Operating lease Assets:

Assets description as per Note No. 14	Useful Life as per the Companies Act 2013	Useful Life as followed by the Group
Computers Equipment	3, 6 years	5 years
Earth Moving Equipment	9 years	7 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15, 30 years	8,15,22,30 years
Windmill	22 years	20 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Leasehold assets including improvements are amortised over estimated useful life or the period of the lease, whichever is lower.

Depreciation on assets purchased / sold during the period is recognised on a pro-rata basis.

1.13. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over 2-6 years, which reflects the managements estimate.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statement of Profit and Loss when the asset is de-recognised.

1.14. Impairment of Non-Financial Assets

Tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment on an annual basis, and on a shorter period whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of Profit and Loss.

Significant Accounting Policies (Contd.)

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of Profit and Loss.

1.15. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

In case of litigations, provision is recognised once it has been established that the Group has a present obligation based on information available up to the date on which the Group's consolidated financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent Liabilities

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Group does not recognize contingent liability but discloses its existence in the consolidated financial statements.

Contingent Assets

Contingent assets are not recognised in the consolidated financial statements, but are disclosed where an inflow of economic benefits is probable.

1.16. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, balances with banks, cheques on hand, remittances in transit and short-term investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Significant Accounting Policies (Contd.)

1.17. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM assess the financial performance and position of the Group and makes strategic decisions.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of services offered.

1.18. Financial Instruments

Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost

2. Financial assets to be measured at fair value through other comprehensive income

3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process is to assess the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

In making this assessment, it is considered whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the consolidated statement of Profit and Loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

1.18.1 Recognition of Financial Instruments:

Financial assets and financial liabilities are recognised when entity becomes a party to the contractual provisions of the instruments. Loans & advances and all other regular way purchases or sales of financial assets are recognised and derecognised on the trade date basis.

Significant Accounting Policies (Contd.)

1.18.2 Initial Measurement of Financial Instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of Profit and Loss.

1.18.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost (AC):

These financial assets comprise bank balances, Loans, Trade receivables, Other receivables, investments and other financial assets.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the consolidated statement of Profit and Loss on disposal of the investments. Dividends on such investments are recognised in the consolidated statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the consolidated statement of Profit and Loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of Profit and Loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):

A financial asset which is not classified as AC or FVTOCI is measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Any differences between the fair values of financial assets classified as FVTPL and held by the Group on the balance sheet date is recognised in the consolidated statement of Profit and Loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the consolidated statement of Profit and Loss.

Significant Accounting Policies (Contd.)

Effective Interest Rate (EIR) Method:

The EIR is a method of calculating the amortized cost of a debt instrument and of allocating interest income or expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability on initial recognition.

The EIR for financial assets or financial liability is computed

a. By considering all the contractual terms of the financial instrument in estimating the cash flows.

b. Including fees and transaction costs that are integral part of EIR.

Impairment of Financial Assets:

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

The Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses.

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the consolidated balance sheet. In case of such instrument, amount recognised in the consolidated statement of Profit and Loss are the same as the amount would have been recognised in case the debt instrument is measured at amortised cost.

No Expected credit losses are recognised on equity investments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group measures the loss allowance at an amount equal to lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset accounted under Ind AS 109 in its entirety:

a) for financial assets measured at amortised cost, the gain or loss is recognised in the statement of Profit and Loss.

b) for financial assets measured at fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the consolidated statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves may be reclassified within equity.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a liability for the proceeds received.

Significant Accounting Policies (Contd.)

Modification/ revision in estimates of cash flows of financial assets:

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, the Group recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in the consolidated statement of Profit and Loss.

(B) Financial Liabilities and Equity Instruments:

Classification as debt or equity:

Financial liabilities and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An Equity Instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the consolidated statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial Liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments".

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost.

Financial Guarantee Contracts

Financial guarantees issued by the Group are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transactions costs that are directly attributable to the issuance of the guarantee.

Significant Accounting Policies (Contd.)

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of Profit and Loss.

1.18.4 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously backed by past practice.

1.18.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the consolidated balance sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

Significant Accounting Policies (Contd.)

1.18.6 Overview of the Expected Credit Loss (ECL) principles

Expected credit loss (ECL) is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. It also incorporates available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

For portfolio of exposures, ECL is modelled as the product of the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD).

In case of assets identified to be significantly credit-impaired to the extent that default has happened or seems to be a certainty rather than probability, ECL would be determined by directly estimating the receipt of cash flows and timing thereof.

Staging:

The loan portfolio would be classified into three stage-wise buckets – Stage 1, Stage 2 and Stage 3 – corresponding to the contracts assessed as performing, under-performing and non-performing, in accordance with the IND-AS guidelines. The key parameter used for stage-wise classification would be days past due (DPDs).

Stage 1: Ongoing exposures with DPD (days past due) up to 60 days

Stage 2: Ongoing exposures with DPD (days past due) between 61 and 90 days

Stage 3: Ongoing exposures with DPD (days past due) of 91 days or more, and any other contracts identified from time to time by the management.

While the presumption for inter-stage threshold for Stage 1 is 30 days, the group has rebutted the presumption and has considered 60 days as the threshold. As the borrowers are typically operating in infrastructure sector, where receivables tend to be stretched, notwithstanding whether the principals are government/quasi-government entities or private sector entities. As per current market practice, NBFCs typically tend to be paid later than banks by borrowers since banks control their working capital financing.

Methodology:

The basis of the ECL calculations are outlined below which is intended to be more forward-looking. Key elements of ECL are, as follows:

Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The key tenets of Group's methodology are as under:

Past performance as basis for ECL discovery: Group's ECL methodology is based on discovery of the relevant parameters – namely EAD, PD and LGD – from the actual performance of past portfolios.

The management will continue to monitor the loan cases on an ongoing basis, and have the discretion to make higher provisions on the basis expected recovery of the individual accounts wherever considered necessary.

Significant Accounting Policies (Contd.)

1.19. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note to the financial statements.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the consolidated statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the consolidated statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

1.20. Hedge Accounting

The Group complies with the principles of hedge accounting where derivative contracts are designated as hedging instruments. At the inception of the hedge relationship, the documentation is done for the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge. Furthermore, on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair Value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the consolidated statement of Profit or Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in consolidated statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated as 'Cash Flow Hedge Reserve'. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to the consolidated statement of Profit and Loss in the periods when the hedged item affects the consolidated statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the underlying transaction is ultimately recognised in the consolidated statement of Profit and Loss. When an underlying transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the consolidated statement of Profit and Loss.

Significant Accounting Policies (Contd.)

1.21. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.22 First time adoption

These consolidated financial statements, for the year ended 31st March, 2019 are the first consolidated financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2018 the Group prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2019 together with the comparative period data as at and for the year ended 31st March, 2018 as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at 1st April, 2017 the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP consolidated financial statements, including the balance sheet as at 1st April, 2017 and the consolidated financial statements as at and for the year ended 31st March, 2018.

1.22.1 Derecognition of financial assets and financial liabilities

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind AS, it shall not recognise those assets and liabilities in accordance with Ind AS (unless they qualify for recognition as a result of a later transaction or event). The Group has opted not to re-evaluate financial assets derecognised in the past and to apply the derecognition requirements prospectively for transactions occurring on or after the transition date.

1.22.2 Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

1.22.3 Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

1.22.4 Assessment of embedded derivatives

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

Significant Accounting Policies (Contd.)

1.22.5 Deemed cost for property, plant and equipment and intangible assets

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at 31st March, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on 1st April, 2017.

1.22.6 Determining whether an arrangement contains a lease

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of arrangement. However, the Group has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on transition date.

1.22.7 Business Combinations

The Group has elected to apply Ind AS accounting for business combinations prospectively from 1st April, 2017. As such, previous GAAP balances relating to business combinations entered into before that date have been carried forward as at the date of transition to Ind AS.

1.22.8 Mandatory Exceptions

Following mandatory exceptions are applicable to the Group:

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

1.23. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1.23.1 Impairment charges on loans and advances

The measurement of impairment losses requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These are based on the assumptions which are driven by a number of factors resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, nature of assets underlying assets financed, levels of arrears, credit utilization, loan to collateral ratios etc.), and

Significant Accounting Policies (Contd.)

the concentration of risk and economic data (including levels of unemployment, country risk and performance of different individual groups). These significant assumptions have been applied consistently to all period presented.

The impairment loss on loans and advances is disclosed in more detail in Note No. 1.18.6 Overview of ECL principles.

1.23.2 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

1.23.3 Provisions other than loan impairment

Provisions are held in respect of a range of future obligations such as employee entitlements, litigation provisions, etc. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions.

1.23.4 Fair Value measurement

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of consolidated financial instruments.

1.23.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

1.23.6 EIR method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

1.23.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

Significant Accounting Policies (Contd.)

1.24. Recent accounting pronouncements

The Standards that are issued, but not yet effective, are disclosed below. The Group intends to adopt these standards when they became effective:

Ind AS 116, Leases

Ind AS 116, Leases was notified on 30th March, 2019 and it replaces Ind AS 17 on Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Group does not have any material leases, the adoption of this standard is not likely to have a material impact in its Consolidated Financial Statements.

Amendment to Ind AS 12 'Income Taxes'

The amendment clarifies that an entity shall recognize income tax consequences of dividends in consolidated statement of Profit and Loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Group needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1 April 2019.

Amendment to Ind AS 19 'Employee Benefits

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in consolidated statement of Profit and Loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

Notes to Consolidated Financial Statements

2. Cash and Cash Equivalents

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Cash on hand	308	640	745
Balances with Banks - in Current Account	30,591	11,057	14,556
Fixed Deposits with banks having original maturity of 3 months or less*	135	340	4,966
Balances in Automated Teller Machines (ATMs) (In connection with White Label ATM Business)	-	-	20
Cheques on Hand	-	22,126	14,959
Total	**31,034**	**34,163**	**35,246**

*Includes

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Under Lien:			
- Bank Guarantees	-	-	332

(i) Changes in Cash Flow from financing activities

(₹ in lacs)

Particulars	As at 1st April, 2018	Movement			As at 31st March, 2019
		Change due to Sale of Subsidiaries*	Cash	Non-Cash	
Debt Securities	3,13,080		21,779	-	3,34,859
Borrowings (Other than Debt Securities)	27,49,117	(9,432)	(79,885)	3,114	26,62,914
Subordinated Liabilities	2,94,155		30,502	-	3,24,657
Unclaimed Debenture	-	-	-	249	249
Total	**33,56,352**	**(9,432)**	**(27,604)**	**3,363**	**33,22,679**

(₹ in lacs)

Particulars	As at 1st April, 2017	Movement			As at 31st March, 2018
		Change due to Sale of Subsidiaries*	Cash	Non-Cash	
Debt Securities	3,00,255	-	12,825	-	3,13,080
Borrowings (Other than Debt Securities)	20,35,830	-	7,09,587	3,700	27,49,117
Subordinated Liabilities	2,74,958	-	19,197	-	2,94,155
Unclaimed Debenture	442	-	-	(442)	-
Total	**26,11,485**	**-**	**7,41,609**	**3,258**	**33,56,352**

*** Change due to Sale of Subsidiaries has been reported in the Statement of Cash Flows under Cash Flow from Investing activities as 'Sale of Subsidiaries'.**

Notes to Consolidated Financial Statements (Contd.)

3. Other Bank Balances

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Unclaimed Dividend Accounts	52	35	35
Fixed Deposits with banks having original maturity of more than 3 months *	1,69,064	1,15,929	62,134
Total	**1,69,116**	**1,15,964**	**62,169**

* Includes

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Under Lien:			
- Cash collateral for securitisation of receivables	35,553	26,769	18,352
- Security against borrowings	35	33	33
- Letter of credit	51,847	80,807	38,452
- Bank Guarantees	79,734	7,441	5,026
- Unclaimed Public Deposit & Interest	1	1	25

Notes to Consolidated Financial Statements (Contd.)

4. Derivative Financial Instruments

(₹ in lacs)

Part I	As at 31st March, 2019			As at 31st March, 2018			As at 1st April, 2017		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i)Currency derivatives:									
-Spot and Forwards	20,333	8	1,084	71,120	769	706	63,262	1,639	1,904
-Currency swaps	2,73,754	7,193	3,880	2,22,530	3,307	4,419	1,05,453	5,480	4,074
-Options purchased	11,079	455	-	28,547	2,908	-	41,699	4,662	-
Subtotal (i)	**3,05,166**	**7,656**	**4,964**	**3,22,197**	**6,984**	**5,125**	**2,10,414**	**11,781**	**5,978**
(ii)Interest rate derivatives									
-Forward Rate Agreements and Interest Rate Swaps	16,596	586	761	21,615	1,071	85	35,064	563	137
Subtotal(ii)	**16,596**	**586**	**761**	**21,615**	**1,071**	**85**	**35,064**	**563**	**137**
Total Derivative Financial Instruments (i)+(ii)	**3,21,762**	**8,242**	**5,725**	**3,43,812**	**8,055**	**5,210**	**2,45,478**	**12,344**	**6,115**
Part II									
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Fair value hedging:	-	-	-	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-	-	-	-
(ii) Cash flow hedging:									
-Currency derivatives	4,179	1	105	-	-	-	-	-	-
-Interest rate derivatives	-	-	538	-	-	-	-	-	-
Subtotal (ii)	**4,179**	**1**	**643**	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Undesignated Derivatives	**3,17,583**	**8,241**	**5,082**	**3,43,812**	**8,055**	**5,210**	**2,45,478**	**12,344**	**6,115**
Total Derivative Financial Instruments (i)+(ii)+(iii)	**3,21,762**	**8,242**	**5,725**	**3,43,812**	**8,055**	**5,210**	**2,45,478**	**12,344**	**6,115**

The Group's risk management strategy and how it is applied to manage risk are explained in Note No. 37.

Notes to Consolidated Financial Statements (Contd.)

4.1 The Group has entered into Options/Swaps/Forward contracts (being derivative instruments) which are not intended for trading or speculation, for the purpose of hedging currency and interest rate related risks. Options, Swaps and Forward contracts outstanding are as follows:

(Amount in lacs)

Category	Currency	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
		Amount in Foreign Currency	Amount in Foreign Currency	Amount in Foreign Currency
Options /Swaps	USD/INR	USD 2,882	USD 2,797	USD 1,705
Options /Swaps	EUR/INR	EUR 1,286	EUR 676	EUR 586
Options /Swaps	SGD/USD	-	-	SGD 42
Forwards	USD/INR	USD 96	USD 226	USD 505
Forwards	EUR/INR	EUR 142	EUR 505	EUR 275
Forwards	EUR/USD	EUR 11	-	EUR 8
Forwards	GBP/INR	-	GBP 2	GBP 2
Forwards	AUD/INR	AUD 3	-	-
Interest Rate Swaps	USD/INR	USD 240	USD 630	USD 779

5.1. Trade Receivables:

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
(a) Considered good - Secured;	-	-	-
Less: Allowance for impairment loss allowance	-	-	-
	-	-	-
(b) Considered good - Unsecured;	40,004	13,829	8,492
Less: Allowance for impairment loss allowance	11,768	8	22
	28,236	13,821	8,470
(c) Significant increase in credit risk	-	-	-
Less: Allowance for impairment loss allowance	-	-	-
	-	-	-
(d) Credit impaired	1,665	13,790	14,911
Less: Allowance for impairment loss allowance	1,665	12,302	13,520
	-	1,488	1,391
Total (a+b+c+d)	**28,236**	**15,309**	**9,861**

i. In determining the allowances for credit losses, the Group has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

ii. Movements in Expected Credit Losses Allowance is as below:

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	12,310	13,542
Charge in Consolidated Statement of Profit and Loss	3,656	1,492
Disposal of entity under control	(942)	(243)
Utilized during the year	(1,591)	(2,481)
Balance at the end of the year	**13,433**	**12,310**

Notes to Consolidated Financial Statements (Contd.)

iii. Ageing of Trade Receivables and Credit Risk arising therefrom is as below:

(₹ in lacs)

Particulars	As at 31st March, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	27,243	417	26,826
Due between three to six months	372	212	160
Due between six months to one year	1,272	938	334
More than 1 year due	12,782	11,866	916
	41,669	**13,433**	**28,236**

(₹ in lacs)

Particulars	As at 31st March, 2018		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Not due	572	-	572
Due till three months	12,836	4	12,832
Due between three to six months	560	9	551
Due between six months to one year	608	73	535
More than 1 year due	13,043	12,224	819
	27,619	**12,310**	**15,309**

(₹ in lacs)

Particulars	As at 1st April, 2017		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Not due	877	-	877
Due till three months	6,997	3	6,994
Due between three to six months	1,043	2	1,041
Due between six months to one year	591	28	563
More than 1 year due	13,895	13,509	386
	23,403	**13,542**	**9,861**

Notes to Consolidated Financial Statements (Contd.)

5.2 Other Receivables (₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
(a) Secured, considered good;	-	-	-
Less: Allowance for impairment loss allowance	-	-	-
	-	-	-
(b) Unsecured considered good; and	-	-	9,561
Less: Allowance for impairment loss allowance	-	-	648
	-	-	8,913
(c) Significant increase in credit risk	-	-	-
Less: Allowance for impairment loss allowance	-	-	-
	-	-	-
(d) Credit impaired	-	-	2,356
Less: Allowance for impairment loss allowance	-	-	2,356
	-	-	-
Total (a+b+c+d)	**-**	**-**	**8,913**

i. In determining the allowances for credit losses, the Group has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

ii. Movements in Expected Credit Losses Allowance is as below: (₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	-	3,004
Credited in Statement of Profit and Loss	-	902
Utilized during the year	-	2,102
Balance at the end of the year	-	-

iii. Ageing of Other Receivables and Credit Risk arising therefrom is as below: (₹ in lacs)

Particulars	As at 31st March, 2019		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	-	-	-
Due between three to six months	-	-	-
Due between six months to one year	-	-	-
More than 1 year due	-	-	-
	-	-	-

Notes to Consolidated Financial Statements (Contd.)

(₹ in lacs)

Particulars	As at 31st March, 2018		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	-	-	-
Due between three to six months	-	-	-
Due between six months to one year	-	-	-
More than 1 year due	-	-	-
	-	-	-

(₹ in lacs)

Particulars	As at 1st April, 2017		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Due till three months	7,396	-	7,396
Due between three to six months	619	-	619
Due between six months to one year	1,546	648	898
More than 1 year due	2,356	2,356	-
	11,917	**3,004**	**8,913**

The change in Expected Credit Loss Allowance of Receivables was driven by a change in the outstanding amount and movements between age buckets.

Notes to Consolidated Financial Statements (Contd.)

6. Loans

(₹ in lacs)

Particulars	As at 31st March, 2019						As at 31st March, 2018						As at 1st April, 2017					
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal			Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal			Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal	
Loans																		
(A)																		
(i) Term Loan	24,77,946	2,52,621	40,060	-	2,92,681	27,70,627	22,68,086	4,79,162	65,348	-	5,44,510	28,12,596	19,06,253	3,67,836	58,687	-	4,26,523	23,32,776
(ii)Leasing	75,381	-	-	-	-	75,381	43,613	-	-	-	-	43,613	895	-	-	-	-	895
(iii) Other Loans :																		
Intercorporate Deposit	358	-	-	-	-	358	49,143	-	-	-	-	49,143	38,000	-	-	-	-	38,000
Letter of Credit	92,382	-	-	-	-	92,382	1,23,955	-	-	-	-	1,23,955	1,32,860	-	-	-	-	1,32,860
Total (A) Gross	**26,46,067**	**2,52,621**	**40,060**	**-**	**2,92,681**	**29,38,748**	**24,84,797**	**4,79,162**	**65,348**	**-**	**5,44,510**	**30,29,307**	**20,78,008**	**3,67,836**	**58,687**	**-**	**4,26,523**	**25,04,531**
Less: Impairment loss allowance	(1,39,052)	-	-	-	-	(1,39,052)	(1,95,539)	-	-	-	-	(1,95,539)	(2,00,989)	-	-	-	-	(2,00,989)
Total (A) Net	**25,07,015**	**2,52,621**	**40,060**	**-**	**2,92,681**	**27,99,696**	**22,89,258**	**4,79,162**	**65,348**	**-**	**5,44,510**	**28,33,768**	**18,77,019**	**3,67,836**	**58,687**	**-**	**4,26,523**	**23,03,542**
(B)																		
(i) Secured by tangible assets / cash flows*	25,50,432	2,52,621	40,060	-	2,92,681	28,43,113	24,16,511	4,79,162	65,348	-	5,44,510	29,61,021	20,18,441	3,67,836	58,687	-	4,26,523	24,44,964
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	95,635	-	-	-	-	95,635	68,286	-	-	-	-	68,286	59,567	-	-	-	-	59,567
Total (B) Gross	**26,46,067**	**2,52,621**	**40,060**	**-**	**2,92,681**	**29,38,748**	**24,84,797**	**4,79,162**	**65,348**	**-**	**5,44,510**	**30,29,307**	**20,78,008**	**3,67,836**	**58,687**	**-**	**4,26,523**	**25,04,531**
Less: Impairment loss allowance	(1,39,052)	-	-	-	-	(1,39,052)	(1,95,539)	-	-	-	-	(1,95,539)	(2,00,989)	-	-	-	-	(2,00,989)
Total (B) Net	**25,07,015**	**2,52,621**	**40,060**	**-**	**2,92,681**	**27,99,696**	**22,89,258**	**4,79,162**	**65,348**	**-**	**5,44,510**	**28,33,768**	**18,77,019**	**3,67,836**	**58,687**	**-**	**4,26,523**	**23,03,542**
(C) (I) Loans in India																		
(i) Public Sector	1,940	-	-	-	-	1,940	19	-	-	-	-	19	1,383	-	-	-	-	1,383
(ii) Others	26,44,127	2,52,621	40,060	-	2,92,681	29,36,808	24,84,778	4,79,162	65,348	-	5,44,510	30,29,288	20,76,625	3,67,836	58,687	-	4,26,523	25,03,148
Total (C) (I) Gross	**26,46,067**	**2,52,621**	**40,060**	**-**	**2,92,681**	**29,38,748**	**24,84,797**	**4,79,162**	**65,348**	**-**	**5,44,510**	**30,29,307**	**20,78,008**	**3,67,836**	**58,687**	**-**	**4,26,523**	**25,04,531**
Less: Impairment loss allowance	(1,39,052)	-	-	-	-	(1,39,052)	(1,95,539)	-	-	-	-	(1,95,539)	(2,00,989)	-	-	-	-	(2,00,989)
Total (C) (I) Net	**25,07,015**	**2,52,621**	**40,060**	**-**	**2,92,681**	**27,99,696**	**22,89,258**	**4,79,162**	**65,348**	**-**	**5,44,510**	**28,33,768**	**18,77,019**	**3,67,836**	**58,687**	**-**	**4,26,523**	**23,03,542**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II) Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (I) and C (II)	**25,07,015**	**2,52,621**	**40,060**	**-**	**2,92,681**	**27,99,696**	**22,89,258**	**4,79,162**	**65,348**	**-**	**5,44,510**	**28,33,768**	**18,77,019**	**3,67,836**	**58,687**	**-**	**4,26,523**	**23,03,542**

*Secured by underlying assets and in certain cases are additionally secured by immovable properties and / or pledge of equity shares of the borrowers by way of collateral security. Exposures which are secured by a charge over future toll revenue/ cash flows / receivables etc. have been considered as secured.

(a) In terms of an Order from DRT-I, Kolkata dated 24 December, 2014, Deccan Chronicle Holding Limited (DCHL), one of the borrowers of the Company, had in the financial year 2014-15 allotted to the Company 6,60,37,735 equity shares in DCHL pursuant to conversion of a portion of loan into equity shares by virtue of the Company's rights under the financial documents. However, during the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 of DCHL, the Company has come to know that the said allotment of 6,60,37,735 equity shares by DCHL was contrary to law and therefore, void and ineffective. Since DCHL failed to give effect to such conversion, the Company has irrevocably and unconditionally withdrawn its right of conversion of loan into equity shares of DCHL vide its letter dated 23 April, 2018 to Resolution Professional of DCHL.

Notes to Consolidated Financial Statements (Contd.)

i. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows: (₹ in lacs)

	As at 31st March, 2019					As at 31st March, 2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	22,55,944	3,90,827	3,46,965	-	29,93,736	16,78,318	4,53,888	3,40,286	-	24,72,492
New assets originated or purchased	19,40,215	87,436	22,254	-	20,49,905	18,59,220	1,21,685	30,993	-	20,11,898
Assets derecognised or repaid (excluding write offs)	(18,27,263)	(1,07,941)	(1,09,254)	-	(20,44,458)	(12,13,639)	(1,83,273)	(74,467)	-	(14,71,379)
Transfers to Stage 1	2,28,565	(2,11,740)	(16,825)	-	-	2,20,072	(1,90,753)	(29,319)	-	-
Transfers to Stage 2	(1,28,098)	1,28,249	(151)	-	-	(2,06,677)	2,18,192	(11,515)	-	-
Transfers to Stage 3	(2,01,801)	(58,946)	2,60,747	-	-	(81,350)	(28,912)	1,10,262	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	(2,056)	-	(98,387)	-	(1,00,443)	-	-	(19,275)	-	(19,275)
Gross carrying amount closing balance	**22,65,506**	**2,27,885**	**4,05,349**	**-**	**28,98,740**	**22,55,944**	**3,90,827**	**3,46,965**	**-**	**29,93,736**

ii. Reconciliation of ECL balance is given below: (₹ in lacs)

	As at 31st March, 2019					As at 31st March, 2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening ballance	33,220	11,579	1,55,357	-	2,00,156	14,396	13,801	1,77,775	-	2,05,972
New assets originated or purchased	26,297	8,323	3,477	-	38,097	21,101	7,116	12,560	-	40,777
Assets derecognised or repaid (excluding write offs)	9,870	(2,573)	(46,485)	-	(39,188)	16,695	(1,329)	(40,845)	-	(25,479)
Transfers to Stage 1	4,360	(7,941)	(5,454)	-	(9,035)	10,120	(4,927)	(10,896)	-	(5,703)
Transfers to Stage 2	(1,240)	5,819	(63)	-	4,516	(1,596)	4,880	(1,399)	-	1,885
Transfers to Stage 3	(33,065)	(2,142)	45,600	-	10,393	(27,496)	(7,962)	31,632	-	(3,826)
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-	-
Amounts written off	(188)	-	(62,078)	-	(62,266)	-	-	(13,470)	-	(13,470)
ECL allowance - closing balance	**39,254**	**13,065**	**90,354**	**-**	**1,42,673**	**33,220**	**11,579**	**1,55,357**	**-**	**2,00,156**

iii. The contractual amount outstanding on loan assets that were written off during the reporting period and are still subject to enforcement activity is ₹ 53,293 lacs (Previous year: ₹ 9,215 lacs).

iv. The change in Expected Credit Loss Allowance of the portfolio was driven by a change in the size of the portfolio, change in the composition of the portfolio and movements between stages as a result of increase or decrease in credit risk of the borrowers.

Notes to Consolidated Financial Statements (Contd.)

7. Investments

(₹ in lacs)

Particulars	As at 31st March, 2019							As at 31st March, 2018							As at 1st April, 2017						
	Amortised cost	At Fair Value				Others*	Total	Amortised cost	At Fair Value				Others*	Total	Amortised cost	At Fair Value				Others*	Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal				Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal				Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Subtotal		
Investments																					
A) In India																					
Mutual Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	10,000	-	10,000
Debt securities	29,590	-	77,831	-	77,831	-	1,07,421	9,590	-	62,715	-	62,715	-	72,305	-	-	99,752	-	99,752	-	99,752
Equity instruments	-	41,332	33,858	-	75,190	-	75,190	-	57,776	27,400	-	85,176	-	85,176	-	56,695	25,095	-	81,790	-	81,790
Associates	-	-	-	-	-	-	-	-	-	-	-	-	32	32	-	-	-	-	-	1,579	1,579
In Units of Trusts and Schemes of Venture Funds	-	36,873	-	-	36,873	-	36,873	-	40,016	-	-	40,016	-	40,016	-	39,697	-	-	39,697	-	39,697
Others (Deemed Investment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	215	-	-	-	-	-	215
Total – Gross A	**29,590**	**78,205**	**1,11,689**	**-**	**1,89,894**	**-**	**2,19,484**	**9,590**	**97,792**	**90,115**	**-**	**1,87,907**	**32**	**1,97,529**	**215**	**96,392**	**1,34,847**	**-**	**2,31,239**	**1,579**	**2,33,033**
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	29,590	78,205	1,11,689	-	1,89,894	-	2,19,484	9,590	97,792	90,115	-	1,87,907	32	1,97,529	215	96,392	1,34,847	-	2,31,239	1,579	2,33,033
Total – B	**29,590**	**78,205**	**1,11,689**	**-**	**1,89,894**	**-**	**2,19,484**	**9,590**	**97,792**	**90,115**	**-**	**1,87,907**	**32**	**1,97,529**	**215**	**96,392**	**1,34,847**	**-**	**2,31,239**	**1,579**	**2,33,033**
Less: Impairment loss allowance (C)	(7,631)	-	-	-	-	-	(7,631)	(4,593)	-	-	-	-	-	(4,593)	-	-	-	-	-	-	-
Total – Net D =(A)-(C)	**21,959**	**78,205**	**1,11,689**	**-**	**1,89,894**	**-**	**2,11,853**	**4,997**	**97,792**	**90,115**	**-**	**1,87,907**	**32**	**1,92,936**	**215**	**96,392**	**1,34,847**	**-**	**2,31,239**	**1,579**	**2,33,033**

* On transition to Ind AS, the Company has availed the exemption available under Ind AS 101 - 'First Time Adoption of Indian Accounting Standards' to use the Previous GAAP carrying value or fair value as on transition date as deemed cost to measure investments in subsidiaries and associates.

i) The aggregate amount of investments for which the Previous GAAP carrying amount is considered as deemed cost is ₹ 4,507 lacs.

ii) The aggregate amount of investment for which fair value as on transition date is considered as deemed cost is ₹ 2,13,687 lacs.

During the financial year ended 31st March, 2019 the Company sold its investment in Equity instruments that was classified at FVTOCI to meet its business objective. The fair value of the investment at the date of derecognition was ₹ 3,951 lacs (Previous year: ₹ 2,064 lacs). The cumulative loss on disposal was ₹ 1,282 lacs (Previous year: ₹ 216 lacs).

Notes to Consolidated Financial Statements (Contd.)

8. Other Financial Assets

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Interest accrued but not due	16,802	17,538	20,334
Income accrued but not due	229	1,650	329
Interest retained on Pool assigned	10,750	12,690	7,796
Interest accrued on Fixed Deposits	-	19	875
Rental accrued but not due	12,813	13,423	6,003
Loan to employees	40	40	1
Security deposits	19,122	21,050	20,750
Advance for Investments	23	23	1,223
Claims Receivables	21,022	24,030	24,030
Other Advances and Receivables	851	883	562
Insurance Claim Receivable	-	45	-
Debt Service Reserve Account	-	90	188
TDS Recoverable from customer	-	72	72
Contribution to trust fund	1	1	1
Total	**81,653**	**91,554**	**82,164**

9. Other Non-Financial Assets

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Capital Advances	2,149	6,470	8,509
Employee Advances	461	773	697
Advance to Vendors for Operating Expenses	6,142	3,808	2,298
Advance Rent	6,103	6,831	7,170
Balances with Government Authorities	36,524	41,405	2,506
Assets acquired in satisfaction of debt	72,465	1,87,816	1,23,291
Other Receivables *	27,023	3,071	824
Prepaid expenses	657	942	1,011
Deferred Mobilisation Expenses	-	581	884
Total	**1,51,524**	**2,51,697**	**1,47,190**

* Amount as at 31st March, 2019, represents receivables assigned in favor of the Company in satisfaction of debt and the said amount is the subject matter of arbitration proceedings.

10. Inventories

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Stores and Spares	-	2,491	2,004
Goods in transit	-	-	34
Fuel and Consumables	-	143	165
Total	**-**	**2,634**	**2,203**

Notes to Consolidated Financial Statements (Contd.)

11. Current Tax Assets (Net)

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Advance Tax [(net of provision for tax ₹ 29,903 lacs			
31 March, 2018: ₹ 85,372 lacs, 1 April, 2017: ₹ 73,326 lacs)]	14,109	19,671	17,979
Total	**14,109**	**19,671**	**17,979**

The reconciliation of estimated income tax to income tax expense is as below:

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Profit Before Tax	**66,788**	**57,643**
Statutory Income Tax Rate	34.944%	34.608%
Expected income tax expense at statutory income tax rate	23,339	19,949
(i) Income exempt from tax/Items not deductible (net)	(1,093)	(2,063)
(ii) Effect of indexation benefit / different tax rate on certain items	(4,059)	298
(iii) Other differences	(105)	182
Total Tax Expense recognised in Consolidated Statement of Profit and Loss	**18,082**	**18,366**
Total Tax Expense recognised in Other Comprehensive Income	1,882	(852)

12. Deferred Tax Assets / (Deferred Tax Liability) (Net)

(₹ in lacs)

Particulars	As at 1st April, 2018	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to Consolidated Statement of Profit and Loss	Utilisation of MAT credit	Impact due to Cessation of subsidiaries	As at 31st March, 2019
MAT Credit Entitlement	5,341	73	-	-	(3,899)	(286)	1,229
Financial Assets and Liabilities at FVTPL	2,096	(1,480)	(1,973)	1,612	-	12	267
Receivables, Financial Assets and Liabilities at Amortised Cost	59,479	(17,096)	-	-	-	-	42,383
Unrealised gain on Investment carried at Fair Value	1,207	(6,666)	3,843	-	-	(797)	(2,413)
Carried Forward of Losses & Unabsorbed Depreciation	2,123	22,509	-	-	-	(1,601)	23,031
Property, Plant and Equipment and Intangible Assets	(47,126)	2,238	-	3,574	-	(934)	(42,248)
Other Timing Differences	2,241	(2,591)	16	-	-	(2,563)	(2,897)
Disallowances u/s 43B of IT Act	47	13	(4)	-	-	(50)	6
Provisions	980	76	-	-	-	(997)	59
Net Deferred Tax Assets/(Liabilities)	**26,388**	**(2,924)**	**1,882**	**5,186**	**(3,899)**	**(7,216)**	**19,417**

Notes to Consolidated Financial Statements (Contd.)

(₹ in lacs)

Particulars	As at 1st April, 2017	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to Consolidated Statement of Profit and Loss	Utilisation of MAT credit	As at 31st March, 2018
MAT Credit Entitlement	5,961	2,922	-	-	(3,542)	5,341
Financial Assets and Liabilities at FVTPL	1,936	42	(1,613)	1,731	-	2,096
Receivables, Financial Assets and Liabilities at Amortised Cost	60,320	(841)	-	-	-	59,479
Unrealised gain on Investment carried at Fair Value	(920)	990	1,137	-	-	1,207
Carried Forward of Losses & Unabsorbed Depreciation	3,939	(1,816)	-	-	-	2,123
Property, Plant and Equipment and Intangible Assets	(41,832)	(5,294)	-	-	-	(47,126)
Other Timing Differences	1,351	1,218	(328)	-	-	2,241
Disallowances u/s 43B of IT Act	55	40	(48)	-	-	47
Provisions	1,084	(104)	-	-	-	980
Net Deferred Tax Assets/ (Liabilities)	**31,894**	**(2,843)**	**(852)**	**1,731**	**(3,542)**	**26,388**

Notes to Consolidated Financial Statements (Contd.)

13. Investment Property

(₹ in lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment				Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Land	9	-	-	9	-	-	-	-	9
Building	1,865	-	-	1,865	36	37	-	73	1,792
Total	**1,874**	**-**	**-**	**1,874**	**36**	**37**	**-**	**73**	**1,801**

(₹ in lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment				Net Carrying Amount
	As at 1st April, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at 1st April, 2017	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Land	9	-	-	9	-	-	-	-	9
Building	1,865	-	-	1,865	-	36	-	36	1,829
Total	**1,874**	**-**	**-**	**1,874**	**-**	**36**	**-**	**36**	**1,838**

(i) The Investment Property is valued at cost. Depreciation is charged using the straight- line method based on its estimated useful life i.e. 60 years.

(ii) Fair Value of Land and Building as on 31st March, 2019 - ₹ 3,531 lacs (as on 31st March, 2018 - ₹ 3,531 lacs, as on 1st April 2017 - ₹ 3,519 lacs)

(iii) The amount recognised in the Consolidated Statement of Profit and Loss in relation to Investment Property:-

a) Income for the year 2018-19 - ₹ 156 lacs (Previous year - ₹ 1,264 lacs)

b) Direct operating expenses arising from investment property that generated rental income, for the year 2018-19 - ₹ 147 lacs (Previous year - ₹ 1,779 lacs)

c) Building is mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible Debentures aggregating to ₹ 70 lacs by the Company in favour of the Debenture Trustee, Axis Trustee Services Limited.

(iv) For the purpose of fair valuation, Investment Property has been considered as a Level 3 item. Significant inputs used for the same are rate comparative analysis and rental analysis.

Notes to Consolidated Financial Statements (Contd.)

14. Property, Plant and Equipment

(₹ in lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Assets for Own use										
Freehold Land	4	-	-	4	-	-	-	-	-	4
Buildings	14,750	-	-	14,750	307	307	-	8	606	14,144
Plant and Machinery	34,962	-	12,337	22,625	1,299	1,424	-	641	2,082	20,543
Furniture and Fixtures	4,335	142	131	4,346	716	713	-	47	1,382	2,964
Motor Vehicles	286	77	7	356	33	73	-	3	103	253
Computers	1,470	88	26	1,532	583	508	-	19	1,072	460
Office Equipments	18	-	16	2	5	10	-	13	2	-
Leasehold Improvements	4,313	56	56	4,313	866	858	-	13	1,711	2,602
(A)	**60,138**	**363**	**12,573**	**47,928**	**3,809**	**3,893**	**-**	**744**	**6,958**	**40,970**
Assets given on Operating lease										
Plant and Machinery	2,27,740	32,954	(2,233)	2,62,927	18,189	24,385	162	946	41,790	2,21,137
Earthmoving Equipments	1,21,537	42,999	681	1,63,855	17,153	24,275	12	263	41,177	1,22,678
Furniture and Fixtures	8,200	2,207	305	10,102	1,024	1,181	2	76	2,131	7,971
Motor Vehicles	81,603	21,048	2,510	1,00,141	13,494	16,483	21	893	29,105	71,036
Windmills	28,448	-	18,480	9,968	2,189	956	-	1,231	1,914	8,054
Computers	38,016	5,901	1,536	42,381	4,852	9,138	166	809	13,347	29,034
Aircraft	379	-	-	379	40	41	-	-	81	298
(B)	**5,05,923**	**1,05,109**	**21,279**	**5,89,753**	**56,941**	**76,459**	**363**	**4,218**	**1,29,545**	**4,60,208**
Total (C)= (A+B)	**5,66,061**	**1,05,472**	**33,852**	**6,37,681**	**60,750**	**80,352**	**363**	**4,962**	**1,36,503**	**5,01,178**

15. Other Intangible Assets

(₹ in lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals and other adjustments	As at 31st March, 2019	As at 1st April, 2018	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2019	As at 31st March, 2019
Assets for Own use										
Software	1,817	158	62	1,913	1,107	445	-	12	1,540	373
Assets given on operating lease:										
Software	854	-	7	847	344	234	79	7	650	197
Total	**2,671**	**158**	**69**	**2,760**	**1,451**	**679**	**79**	**19**	**2,190**	**570**

Notes to Consolidated Financial Statements (Contd.)

14. Property, Plant and Equipment (Contd....)

(₹ in lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at 1st April, 2017	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Assets for Own use										
Freehold Land	4	-	-	4	-	-	-	-	-	4
Buildings	14,750	-	-	14,750	-	307	-	-	307	14,443
Plant and Machinery	35,011	137	186	34,962	-	1,299	-	-	1,299	33,663
Furniture and Fixtures	3,865	487	17	4,335	-	718	-	2	716	3,619
Motor Vehicles	237	102	53	286	-	66	-	33	33	253
Computers	1,320	171	21	1,470	-	603	-	20	583	887
Office Equipments	9	9	-	18	-	5	-	-	5	13
Leasehold Improvements	3,882	445	14	4,313	-	867	-	1	866	3,447
(A)	**59,078**	**1,351**	**291**	**60,138**	**-**	**3,865**	**-**	**56**	**3,809**	**56,329**
Assets given on Operating lease										
Plant and Machinery	86,336	1,42,116	712	2,27,740	-	18,237	91	139	18,189	2,09,551
Earthmoving Equipments	58,541	63,976	980	121,537	-	17,023	436	306	17,153	1,04,384
Furniture and Fixtures	6,429	2,043	272	8,200	-	1,037	20	33	1,024	7,176
Motor Vehicles	43,838	39,894	2,129	81,603	-	13,481	402	389	13,494	68,109
Windmills	28,448	-	-	28,448	-	2,189	-	-	2,189	26,259
Computers	12,545	27,002	1,531	38,016	-	5,223	96	467	4,852	33,164
Aircraft	379	-	-	379	-	40	-	-	40	339
(B)	**2,36,516**	**2,75,031**	**5,624**	**5,05,923**	**-**	**57,230**	**1,045**	**1,334**	**56,941**	**4,48,982**
Total (C)= (A+B)	**2,95,594**	**2,76,382**	**5,915**	**5,66,061**	**-**	**61,095**	**1,045**	**1,390**	**60,750**	**505,311**

15. Other Intangible Assets (Contd....)

(₹ in lacs)

Particulars	Gross Carrying Amount				Depreciation/ Amortisation and Impairment					Net Carrying Amount
	As at 1st April, 2017	Additions	Disposals and other adjustments	As at 31st March, 2018	As at 1st April, 2017	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at 31st March, 2018	As at 31st March, 2018
Assets for Own use										
Software	1,643	174	-	1,817	-	1,107	-	-	1,107	710
Assets given on operating lease:										
Software"	907	12	65	854	-	345	49	50	344	510
Total	2,550	186	65	2,671	-	1,452	49	50	1,451	1,220

Notes to Consolidated Financial Statements (Contd.)

16. Trade Payables

(i) Total outstanding dues of micro enterprises and small enterprises (₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	9	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day.		-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
d) The amount of interest accrued and remaining unpaid	-	-	-
.e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
Total	-	9	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
For Supplies and Services	1,279	371	245
Acceptances	92,382	1,23,955	1,32,861
Other than Acceptances	77,385	133,493	65,228
Operating Lease	107	177	248
Total	1,71,153	2,57,996	1,98,582

Notes to Consolidated Financial Statements (Contd.)

17. Debt Securities

(₹ in lacs)

Particulars	As at 31st March, 2019				As at 31st March, 2018				As at 1st April, 2017			
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total
Non-Convertible Debentures - Secured	3,32,637	-	-	3,32,637	3,10,858	-	-	3,10,858	2,98,015	-	-	2,98,015
Non-Convertible Debentures - Unsecured	200	-	-	200	200	-	-	200	200	-	-	200
Long-Term Infrastructure Bonds	2,022			2,022	2,022	-	-	2,022	2,040	-	-	2,040
Total	**3,34,859**	**-**	**-**	**3,34,859**	**3,13,080**	**-**	**-**	**3,13,080**	**3,00,255**	**-**	**-**	**3,00,255**
Debt securities in India	3,34,859	-	-	3,34,859	3,13,080	-	-	3,13,080	3,00,255	-	-	3,00,255
Debt securities outside India	-	-	-			-	-			-	-	
Total	**3,34,859**	**-**	**-**	**3,34,859**	**3,13,080**	**-**	**-**	**3,13,080**	**3,00,255**	**-**	**-**	**3,00,255**

Notes to Consolidated Financial Statements (Contd.)

18. Borrowings (Other than Debt Securities)

(₹ in lacs)

Particulars	As at 31st March, 2019				As at 31st March, 2018				As at 1st April, 2017			
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total
(a) Term Loans												
Secured												
From Banks												
- Rupee Loans	3,21,773	-	-	3,21,773	2,95,859	-	-	2,95,859	3,13,664	-	-	3,13,664
- Foreign Currency Loans	88,449	-	-	88,449	93,109	-	-	93,109	67,147	-	-	67,147
From Financial Institutions												
- Rupee Loans	2,59,657	-	-	2,59,657	1,71,060	-	-	1,71,060	98,382	-	-	98,382
- Foreign Currency Loans	1,17,637	-	-	1,17,637	99,494	-	-	99,494	50,278	-	-	50,278
- Working Capital Facilities	6,00,753	-	-	6,00,753	1,79,546	-	-	1,79,546	94,462	-	-	94,462
- Buyer's Credit (Foreign Currency loans)	-	-	-	-	40,638	-	-	40,638	16,206	-	-	16,206
- Collateral Borrowings	1,34,608	-	-	1,34,608	79,111	-	-	79,111	-	-	-	-
Unsecured												
From Banks												
- Rupee Loans	-	-	-	-	43,187	-	-	43,187	4,813	-	-	4,813
- Foreign Currency Loans	55,289	-	-	55,289	34,647	-	-	34,647	33,905	-	-	33,905
From Financial Institutions												
- Rupee Loans	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign Currency Loans	8,616	-	-	8,616	9,972	-	-	9,972	8,998	-	-	8,998
Commercial Papers												
- From Others	82,940	-	-	82,940	2,63,608	-	-	2,63,608	85,840	-	-	85,840
(b) Loan payable on demand												
Secured												
- Working Capital Facilities- Rupee Loans	9,93,192	-	-	9,93,192	14,38,874	-	-	14,38,874	12,51,250	-	-	12,51,250
- Working Capital Facilities- Foreign Currency Loans	-	-	-	-	-	-	-	-	10,663	-	-	10,663
Unsecured												
Inter Corporate Deposits	-	-	-	-	-	-	-	-	212	-	-	212
Convertible cumulative redeemable preference shares of ₹10 /- each fully paid-up	-	-	-	-	12	-	-	12	10	-	-	10
Total	**26,62,914**	**-**	**-**	**26,62,914**	**27,49,117**	**-**	**-**	**27,49,117**	**20,35,830**	**-**	**-**	**20,35,830**
Borrowings in India	23,92,923	-	-	23,92,923	24,71,257	-	-	24,71,257	18,48,633	-	-	18,48,633
Borrowings outside India	2,69,991	-	-	2,69,991	2,77,860	-	-	2,77,860	1,87,197	-	-	1,87,197
Total	**26,62,914**	**-**	**-**	**26,62,914**	**27,49,117**	**-**	**-**	**27,49,117**	**20,35,830**	**-**	**-**	**20,35,830**

Notes to Consolidated Financial Statements (Contd.)

19. Subordinated Liabilities

(₹ in lacs)

Particulars	As at 31st March, 2019				As at 31st March, 2018				As at 1st April, 2017			
	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total	At Amortised Cost	At Fair Value through Profit and Loss	Designated at Fair Value through Profit or Loss	Total
Subordinated perpetual bonds/ debentures (Tier I Capital)	45,745	-	-	45,745	3,749	-	-	3,749	3,749	-	-	3,749
Subordinated bonds/debentures (Tier II Capital)	2,59,038	-	-	2,59,038	2,73,902	-	-	2,73,902	2,36,411	-	-	2,36,411
Subordinated Deposits - Unsecured	5,000	-	-	5,000	-	-	-	-	-	-	-	-
Subordinated Loans - Unsecured	14,874	-	-	14,874	16,504	-	-	16,504	34,798	-	-	34,798
Total	**3,24,657**	**-**	**-**	**3,24,657**	**2,94,155**	**-**	**-**	**2,94,155**	**2,74,958**	**-**	**-**	**2,74,958**
Subordinated Liabilities in India	3,24,657	-	-	3,24,657	2,94,155	-	-	2,94,155	2,74,958	-	-	2,74,958
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total	**3,24,657**	**-**	**-**	**3,24,657**	**2,94,155**	**-**	**-**	**2,94,155**	**2,74,958**	**-**	**-**	**2,74,958**

Notes to Consolidated Financial Statements (Contd.)

20. Other Financial Liabilities

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Interest Accrued but not due on Borrowings	43,617	37,847	35,885
Interest Accrued and due on Borrowings	79	137	158
Interest Accrued but not due on Others	-	66	194
Unpaid Dividends *(refer Note No. 20.1)*	52	35	35
Unpaid Matured Deposits and Interest Accrued thereon *(refer Note No. 20.1)*	1	1	3
Unpaid Matured Debentures and Interest Accrued thereon	249	-	442
Security Deposits & Retentions	41,422	37,947	20,290
Payable to Employees	1,399	2,055	1,762
Commission Payable to Directors	659	722	433
Liability for Operating Expenses	864	1,322	1,025
Reinsurance Premium Payable	-	4	18
Claims Payable	-	-	54
Financial Guarantee Liability	689	563	349
Others	50	713	458
Total	**89,081**	**81,412**	**61,106**

20.1 To be credited to Investor Education and Protection Fund as and when due.

21. Provisions

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Provision for employee benefits			
Provision for Gratuity	673	502	1,208
Provision for Unavailed Leave	1,423	1,487	1,665
Provision for Liquidated Damages	-	90	-
Provision for Income Tax	-	27	-
Total	**2,096**	**2,106**	**2,873**

22. Other Non-Financial Liabilities

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Sundry liabilities (Interest Capitalisation) Account	1,638	2,136	4,695
Advance from Customers	3,322	2,049	7,556
Statutory Liabilities	1,405	2,269	861
Deferred Mobilisation Expenses	-	239	413
Pre-received Rent	11,514	11,158	2,013
Others	190	207	1,487
Total	**18,069**	**18,058**	**17,025**

Notes to Consolidated Financial Statements (Contd.)

23. Equity Share Capital

Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
Authorised						
Equity Shares, ₹ 10/- par value per share	1000000000	1,00,000	1000000000	1,00,000	1000000000	1,00,000
Preference Shares, ₹ 100/- par value per share	50000000	50,000	50000000	50,000	50000000	50,000
		1,50,000		**1,50,000**		**1,50,000**
Issued and subscribed						
Equity Shares, ₹ 10/- par value per share	503559160	50,356	503559160	50,356	503559160	50,356
Fully Paid-up						
Equity Shares, ₹ 10/- par value per share	503086333	50,309	503086333	50,309	503086333	50,309
Forfeited Shares	**472827**	**15**	**472827**	**15**	**472827**	**15**
		50,324		**50,324**		**50,324**

23.1 Reconciliation of the Number of Equity Shares outstanding

The reconciliation of the number of equity shares outstanding and the corresponding amount thereof, as at the Balance Sheet date is set out below:

Equity Shares	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
At the beginning of the year	503086333	50,309	503086333	50,309	503086333	50,309
Add: Issued during the year	-	-	-	-	-	-
At the end of the year	503086333	50,309	503086333	50,309	503086333	50,309

23.2 Rights, preferences and restrictions in respect of each class of shares

The Group's authorised capital consists of two classes of shares, referred to as Equity Shares and Preference Shares having par value of ₹ 10/- and ₹ 100/- each respectively. Each holder of equity shares is entitled to one vote per share. Preference Shareholder has a preferential right over equity share holders, in respect of repayment of capital and payment of dividend. However, no such preference shares have been issued by the Group during the year ended 31st March, 2019 and 31st March, 2018.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

23.3 Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares (during 5 years preceding 31st March, 2019)

The Group has not issued any shares without payment being received in cash/ by way of bonus shares since 2013-14.

Notes to Consolidated Financial Statements (Contd.)

23.4 Details of Shareholders holding more than 5% of the equity shares each, are set out below:

Name of the shareholders	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Adisri Commercial Private Limited (Holding Company)	303,675,845	60.36	303,675,845	60.36	303,675,845	60.36
Fidelity Investment Trust Fidelity Series Emerging Markets Fund	34,355,610	6.83	34,355,610	6.83	41,882,982	8.33

Notes to Consolidated Financial Statements (Contd.)

24. Other Equity

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Special Reserve (pursuant to Section 45IC of the Reserve Bank of India Act, 1934)			
Opening balance	45,748	38,008	
Add: Transfer from retained earnings	7,765	7,740	
Closing balance	**53,513**	**45,748**	**38,008**
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)			
Opening balance	23,621	19,100	
Add: Transfer from retained earnings	113	4,521	
Closing balance	**23,734**	**23,621**	**19,100**
Capital Reserve			
Opening balance	1,04,729	1,04,729	
Closing balance	**1,04,729**	**1,04,729**	**1,04,729**
Securities Premium			
Opening balance	62,441	62,441	
Closing balance	**62,441**	**62,441**	**62,441**
Bond/Debenture Redemption Reserve			
Opening balance	51,107	46,338	
Add: Transfer from retained earnings	9,684	4,769	
Less: Transfer to retained earnings, on repayment of Bond/Debenture	7,171	-	
Closing balance	**53,620**	**51,107**	**46,338**
General Reserve			
Opening balance	1,36,801	1,36,801	
Closing balance	**1,36,801**	**1,36,801**	**1,36,801**
Equity Instruments through Other Comprehensive Income			
Opening balance	21,973	27,879	
Add: Transfer from retained earnings (net of tax)	(12,650)	(5,906)	
Closing balance	**9,323**	**21,973**	**27,879**
Foreign Currency Translation Reserve			
Opening balance	(231)	(135)	
Add: Additions during the year	-	(96)	
Closing balance	**(231)**	**(231)**	**(135)**
Fair valuation of loans through Other Comprehensive Income			
Opening balance	3,003	3,258	
Add: Addition during the year	4,092	3,003	
Less: Reclassified to Consolidated Statement of Profit and Loss	(3,010)	(3,258)	
Closing balance	**4,085**	**3,003**	**3,258**
Effective portion of Cash Flow Hedges			
Opening balance	-	-	
Add: Additions during the year	(418)	-	
Closing balance	**(418)**	**-**	
Retained Earnings			
Opening balance	(1,19,015)	(1,37,354)	
Add: Profit for the year	48,685	37,757	
Add: Other Comprehensive Income (net of tax)	(18)	645	
Add/ Less: Appropriations			
Interim dividend	(2,515)	-	
Equity dividend	(2,515)	(2,520)	
Corporate Dividend Tax	(1,035)	(513)	
Transferred to Special Reserve	(7,765)	(7,740)	
Transferred to Income Tax special reserve	(113)	(4,521)	
Transferred to Bond/Debenture Redemption Reserve (Net)	(2,513)	(4,769)	
Total appropriations	**(16,456)**	**(20,063)**	
Closing balance	**(86,804)**	**(1,19,015)**	**(1,37,354)**
Total	**3,60,793**	**3,30,177**	**3,01,065**

Notes to Consolidated Financial Statements (Contd.)

(i) Special Reserve:

Transfer of 20% of the profit after tax before re-measurement adjustments on transition to Ind AS, if any, to the statutory reserves in accordance with the provision of Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to Special Reserve is as follows:

No appropriation of any sum from the reserve fund shall be made by the Group except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

(ii) Income Tax Special Reserve:

This reserve has been created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961 and any withdrawal from same will be taxable as per provisions of the Income Tax Act, 1961.

(iii) Capital Reserve:

This reserve represents capital investment subsidy received and amount forfeited towards warrant subscription.

(iv) Securities Premium:

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(v) Bond/Debenture Redemption Reserve:

In accordance with Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 read with Section 71(4) of the Companies Act, 2013 the Group has created DRR only for redemption of public issue of Non-Convertible debentures (NCDs).

(vi) General Reserve:

This reserve include amount transferred from net profit as per provisions of erstwhile Companies Act, 1956 and Reserves created on Amalgamation.

(vii) Equity Instruments through Other Comprehensive Income:

This Reserve represents the cumulative gains (net of losses) arising on the changes in Fair Value of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

(viii) Foreign Currency Translation Reserve

Exchange differences arising on translation of a foreign associate are recognised in Other Comprehensive Income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to Profit or Loss when the investment is disposed-off.

(ix) Fair valuation of loans through Other Comprehensive Income:

Financial assets measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

(x) Effective portion of Cash Flow Hedges:

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

(xi) Retained Earnings:

This reserve represents the cumulative profits of the Group. This can be utilised in accordance with the provisions of the Companies Act, 2013.

Notes to Consolidated Financial Statements (Contd.)

25. Interest Income

(₹ in lacs)

Particulars	2018-19			2017-18		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest on Loans	17,607	3,87,402	337	38,479	3,39,139	1,023
Interest income from investments	-	974	3,853	-	-	1,510
Interest on deposits with Banks	-	10,631	-	-	5,438	-
Other interest Income	-	564	-	-	848	-
Total	**17,607**	**3,99,571**	**4,190**	**38,479**	**3,45,425**	**2,533**

Notes to Consolidated Financial Statements (Contd.)

26. Net gain on fair value changes

(₹ in lacs)

Particulars	2018-19	2017-18
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Derivatives	2,700	(3,630)
(ii) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Derivatives *	(548)	629
- Investments	6,008	9,542
- Loans	3,280	1,515
- Deposits	842	1,621
- Claims Receivable	(3,008)	-
Total Net gain/(loss) on fair value changes (A)	**9,274**	**9,677**
Fair Value changes:		
-Realised	696	1,414
-Unrealised	8,578	8,263
Total Net gain/(loss) on fair value changes (B) to tally with (A)	**9,274**	**9,677**

* Under Ind AS 109, a hedging relationship only qualifies for hedge accounting if a number of restrictive criteria are satisfied, including appropriate designation and documentation of effectiveness at inception of the hedge. A hedging relationship will only qualify for hedge accounting at the date of transition if the hedging relationship has been fully designated and documented as effective in accordance with Ind AS 109 on or before the date of transition and is of a type that qualifies for hedge accounting under Ind AS 109. Designation of a hedging relationship cannot be made retrospectively. All derivatives entered by the Company prior to 01.04.2018 has been classified as undesignated derivative.

27. Other Income

(₹ in lacs)

Particulars	2018-19	2017-18
Net gain / (loss) on derecognition of Property, Plant and Equipment	(1,211)	(16)
Equipment		
Interest on Income Tax Refund	1,118	63
Net gain /(loss) on Foreign Currency Transactions	(1,127)	-
Others	854	(136)
Total	**(366)**	**(89)**

Notes to Consolidated Financial Statements (Contd.)

28. Finance Costs

(₹ in lacs)

Particulars	2018-19		2017-18	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on borrowings	-	2,84,312	-	2,24,379
Interest on debt securities	-	32,737	-	31,551
Interest on subordinated liabilities	-	30,364	-	33,224
Other interest expense	-	11,284	-	9,848
Net gain/(loss) on foreign currency transaction and translation	-	2,921	-	2,012
Total	**-**	**3,61,618**	**-**	**3,01,014**

29. Impairment on Financial Instruments (Net)

(₹ in lacs)

Particulars	2018-19		2017-18	
	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
Loans	3,621	39,982	4,616	29,763
Investments	-	3,038	-	4,593
Other financial assets	-	418	-	(99)
Total	**3,621**	**43,438**	**4,616**	**34,257**

30. Employee Benefits Expenses

(₹ in lacs)

Particulars	2018-19	2017-18
Salaries and wages	24,082	22,765
Contribution to provident and other funds	1,462	1,525
Staff welfare expenses	491	657
Total	**26,035**	**24,947**

Notes to Consolidated Financial Statements (Contd.)

31. Administrative and Other Expenses

(₹ in lacs)

Particulars	2018-19	2017-18
Rent, Taxes and Energy Costs	3,763	1,068
Repairs and Maintenance	3,618	2,908
Communication Costs	491	680
Printing and Stationery	322	323
Advertisement and Publicity	1,080	941
Director's Fees, Allowances and Expenses	127	99
Auditor's Fees and Expenses	394	315
Legal and Professional Charges	8,860	9,223
Insurance	345	305
Corporate Social Responsibility Expenses *(refer Note No. 31.1)*	838	551
Travelling & Conveyance	4,841	3,692
Other Expenditure	3,105	1,481
Total	**27,784**	**21,586**

31.1 Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	2018-19	2017-18
Gross amount required to be spent during the year	788	630
Amount spent during the year		
- Construction / acquisition of any asset	-	-
- On purposes other than above	838	551

32. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS

		2018-19	2017-18
Profit after Tax attributable to the Equity Shareholders (₹ in lacs)	**(A)**	48,678	37,729
Basic and Diluted			
(a) Number of Equity Shares at the beginning of the year		503,086,333	503,086,333
(b) Number of Equity Shares issued during the year		-	-
(c) Number of Equity Shares at the end of the year		503,086,333	503,086,333
(d) Weighted average number of Equity Shares outstanding during the year	**(B)**	503,086,333	503,086,333
(e) Nominal Value of each Equity Share (₹)		10	10
Basic and Diluted Earnings per Share (₹)	**(A/B)**	**9.68**	**7.50**

Notes to Consolidated Financial Statements (Contd.)

33. Contingent Liabilities and Commitments (To the Extent Not Provided For) (₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
A. Contingent Liabilities			
(a) Claims against the Group not acknowledged as debts:			
Income Tax	14,400	13,031	11,654
Service Tax	6,549	8,842	8,914
Central Sales Tax	318	875	1,018
Entry Tax	-	5	5
Value Added Tax (VAT)	1,493	997	1,292
Excise Duty	-	722	722
Claims under dispute	13,443	-	-
(b) Guarantees:			
Bank Guarantees	66,557	63,318	19,341
(c) Others			
Towards work contract performance	-	385	290
Total	**1,02,760**	**88,175**	**43,236**
B. Commitments			
Estimated amount of capital contracts remaining to be executed and not provided for (Net of advances)	3,400	14,708	40,559
On account of Letter of Credit	-	71,036	99,734
Other Commitments	2,003	2,003	51

34. First Time Adoption

Ind AS 101 "First-time Adoption of Indian Accounting Standards" provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Group has prepared the Opening Consolidated Balance Sheet as per Ind AS as of 1st April, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relevant for the Group are as detailed below:

Mandatory exceptions to the retrospective application of Ind AS

(i) Estimates

The estimates at 1st April, 2017 and at 31st March, 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1st April 2017, the date of transition to Ind AS and as of 31st March, 2018.

(ii) Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition and the Group has complied accordingly.

As per Ind AS 101, for financial assets or financial liabilities classified as at amortised cost, if it is impracticable for the Group to apply retrospectively the effective interest method as mentioned in Ind AS 109, the fair value of the financial assets or financial liabilities at the date of transition to Ind AS shall be the new gross carrying amount of that financial

Notes to Consolidated Financial Statements (Contd.)

asset or financial liability at the date of transition to Ind AS. For financial assets and financial liabilities classified as at amortised cost, measurement has been done retrospectively by the Group.

Voluntary exemptions availed

(i) Deemed cost for Property, Plant and Equipment and Intangible Assets

Group has elected to use the carrying amount of items of property, plant and equipments under previous GAAP on the date of transition to Ind AS as deemed cost for Ind AS.

(ii) Business Combinations

The Group has elected to apply Ind AS accounting for business combinations prospectively from 1st April, 2017. As such, previous GAAP balances relating to business combinations entered into before that date have been carried forward as at the date of transition to Ind AS.

(iii) Determining whether an arrangement contains a lease

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with same, this assessment should be carried out at the inception of arrangement. However, the Group has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on transition date.

(iv) Assessment of embedded derivatives

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

(v) Derecognition of financial assets and financial liabilities

As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind AS, it shall not recognise those assets and liabilities in accordance with Ind AS (unless they qualify for recognition as a result of a later transaction or event). The Group has opted not to re-evaluate financial assets derecognised in the past and to apply the derecognition requirements prospectively for transactions occurring on or after the transition date.

(vi) Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

(vii) Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Notes to Consolidated Financial Statements (Contd.)

(i) Reconciliation of Equity as previously reported under Previous GAAP to Ind AS (₹ in lacs)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
Equity as reported under previous GAAP		**5,26,864**	**4,91,933**
Re-measurements on transition to Ind AS			
(1) Interest income and expenses recognition using EIR method on financial assets and liabilities at amortized cost	(i)	(3,372)	(7,185)
(2) Fair valuation of Investments & other financial instruments	(ii)	4,477	3,749
(3) Recognition of Expected Credit Loss in line with Ind-AS 109	(iii)	(1,85,312)	(1,73,821)
(4) Fair Valuation of Derivatives	(iv)	(6,499)	(1,015)
(5) Impairment of Goodwill		(27,981)	(27,981)
(6) Gain from excess interest spread on assignment transaction	(vi)	12,689	7,795
(7) Share Warrants reclassified as equity instrument	(vii)	16	11
(8) Other Adjustments		(22)	(4)
(9) Deferred Tax impact on above	(viii)	59,661	57,956
Equity as reported under Ind AS		**3,80,521**	**3,51,438**

(ii) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2018 (₹ in lacs)

Particulars	Note	2017-18
Profit after Tax as reported under Previous GAAP		**38,425**
Adjustments:		
(1) Interest income and expenses recognition using EIR method on financial assets and liabilities at amortized cost	(i)	7,136
(2) Fair valuation of Investments & other financial instruments	(ii)	8,185
(3) Recognition of Expected Credit Loss in line with Ind-AS 109	(iii)	(14,810)
(4) Fair Valuation of Derivatives	(iv)	(5,954)
(5) Actuarial gains/(losses) on employee benefit plans	(v)	(984)
(6) Gain from excess interest spread on assignment transactions	(vi)	4,894
(7) Deferred Tax impact on above	(viii)	837
Profit / (Loss) After Tax as reported under Ind AS		**37,729**
(1) Fair valuation of Investment	(ii)	(2,494)
(2) Actuarial gains/(losses) on employee benefit plans	(v)	984
(3) Exchange difference in translating the financial statements of a foreign operation	(ix)	(96)
(4) Effective portion of gains and losses on hedging instruments in a cash flow hedge	(x)	104
(5) Deferred tax on above adjustments	(viii)	(852)
Total Comprehensive Income as reported under Ind AS		**35,375**

Notes to Consolidated Financial Statements (Contd.)

Footnotes to the reconciliation of equity as at 1st April, 2017 and 31st March, 2018 and Total Comprehensive Income for the year ended 31st March, 2018.

(i) Interest income and expenses recognition using EIR method on financial assets and liabilities at amortised cost

Under Previous GAAP, all financial assets and financial liabilities were carried at cost. Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

(ii) Fair valuation of Investment and other financial instruments

Under Previous GAAP, the Group accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated such investments as FVTOCI/ FVTPL investments. Ind AS requires FVTOCI/FVTPL investments to be measured at fair value.

Further, the Group has adopted fair value in few investments in Subsidiaries and Associates as deemed cost as at the transition date and subsequently the same investments are measured at cost.

(iii) Recognition of Expected Credit Loss in line with Ind-AS 109

Under Previous GAAP, the impairment provisioning in respect of a NBFC-ND-SI is governed by the principles as prescribed by the RBI through NBFC-SI Directions.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost.

General Approach (Financial Assets containing financing component)

Under General Approach, Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to the 12 month expected credit losses; or Lifetime expected credit losses if credit risk has increased significantly since initial recognition of the financial instrument.

Simplified Approach (Financial Assets not containing financing component)

Under Simplified Approach, Expected credit losses are required to be measured through a loss allowance at an amount equal to the Lifetime expected credit losses for all financial assets.

(iv) Fair Valuation of Derivatives

The Group uses derivative financial instruments, such as currency forwards, options and swaps to hedge its foreign currency risks. Under previous GAAP, the net mark to market losses or gains on the outstanding portfolios of such instruments were recognised in the profit or loss.

The Group uses derivative financial instruments, such as cross currency swaps and interest rate swaps for hedging the interest rate risk. Under previous GAAP, as per Guidance Note on Accounting for Derivative Contracts issued by the ICAI, the net mark to market losses or gains on the outstanding portfolios of such instruments were recognised directly in cash flow hedges.

Under Ind AS, changes in the fair value of derivatives on adoption date has been routed through retained earnings. The changes in fair value of derivative financial instruments, after adoption date, which are designated as cash flow hedges are recognised in equity. Amounts deferred in equity are transferred to the Consolidated Statement of Profit and Loss in line with the hedged transaction.

Notes to Consolidated Financial Statements (Contd.)

(v) Actuarial gains/(losses) on employee benefit plans

Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and liabilities towards employee leave encashment were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.

(vi) Gain from excess interest spread on assignment transactions

Under previous GAAP, since the assignment transaction were carried out at book value of the loan assets with no upfront cash profit/loss, no gain/loss on the said transaction has been recognised on the same. Under Ind AS, gains from excess interest spread is recognised upfront.

(vii) Share Warrants reclassified as equity instrument

Under previous GAAP, Share Warrant issued by the Group to its shareholders was accounted as part of shareholders' fund . Under Ind AS, the same has been reclassified as equity instrument forming part of Other Equity in line with requirement of Ind-AS 32, "Financial Instruments: Presentation".

(viii) Deferred Tax impact on above

Under Previous GAAP, deferred tax was accounted using the income statement approach on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of assets or liabilities in the consolidated balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

(ix) Exchange difference in translating the financial statements of a Foreign Operation

Under previous GAAP, the exchange difference in translating the financial statements of a foreign operation were recognised directly in reserves. Under Ind AS, the movement in these exchange differences are recognised in Other Comprehensive Income.

(x) Effective portion of gains and losses on hedging instruments in a cash flow hedge

Under previous GAAP, the net mark to market gains and losses on the outstanding portfolios of various derivatives financial instruments were recognised directly in reserves. Under Ind AS, these hedges are designated as cash flow hedge and the movement in the fair value of these derivatives are recognised in Other Comprehensive Income.

35. Capital Management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board of the Company.

Notes to Consolidated Financial Statements (Contd.)

36. Regulatory Capital (Capital Adequacy Ratio)

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Tier I capital	1,43,602	2,38,030	2,27,803
Tier II capital	63,632	67,544	84,614
Total capital	**2,07,234**	**3,05,574**	**3,12,417**
Risk weighted assets	13,31,383	17,36,499	16,49,315
Tier I Ratio (%)	10.79	13.71	13.81
Tier II Ratio (%)	4.78	3.89	5.13

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, retained earnings including current year profit, statutory reserves and other free reserves less deferred revenue expenditure and intangible assets. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate bonds, deposits and loans.

The aforesaid figures on regulatory capital are as per RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, and are not as per Ind AS.

37 Financial Instruments and Related Disclosures

This section gives an overview of the significance of financial instruments for the Group and provides additional information on consolidated balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 1.18 to the financial statements.

Notes to Consolidated Financial Statements (Contd.)

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

(₹ in lacs)

Particulars	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets						
a) Measured at Amortised Cost						
i) Cash and Cash Equivalents	31,034	31,034	34,163	34,163	35,246	35,246
ii) Bank Balance other than (i) above	1,69,116	1,69,116	1,15,964	1,15,964	62,169	62,169
iii) Trade Receivables	28,236	28,236	15,309	15,309	9,861	9,861
iv) Other Receivables	-	-	-	-	8,913	8,913
v) Loans	25,07,015	25,20,294	22,89,258	22,99,452	18,77,019	18,81,463
vi) Investments	21,959	21,959	4,997	4,997	215	215
vii) Other Financial Assets	81,653	81,653	91,554	91,554	82,164	82,164
Sub-total	**28,39,013**	**28,52,292**	**25,51,245**	**25,61,439**	**20,75,587**	**20,80,031**
b) Measured at Fair value through Profit or Loss						
i) Derivative Financial Instruments	8,242	8,242	8,055	8,055	12,344	12,344
ii) Loans	40,060	40,060	65,348	65,348	58,687	58,687
iii) Investments	1,11,689	1,11,689	90,115	90,115	1,34,847	1,34,847
Sub-total	**1,59,991**	**1,59,991**	**1,63,518**	**1,63,518**	**2,05,878**	**2,05,878**
c) Measured at Fair value through Other Comprehensive Income						
i) Investments	78,205	78,205	97,792	97,792	96,392	96,392
ii) Loans	2,52,621	2,52,621	4,79,162	4,79,162	3,67,836	3,67,836
Sub-total	**3,30,826**	**3,30,826**	**5,76,954**	**5,76,954**	**4,64,228**	**4,64,228**
d) Measured at Cost						
i) Investment in Subsidiaries & Associates	-	-	32	32	1,579	1,579
Sub-total	**-**	**-**	**32**	**32**	**1,579**	**1,579**
Total Financial Assets	**33,29,830**	**33,43,109**	**32,91,749**	**33,01,943**	**27,47,272**	**27,51,716**
Financial Liabilities						
a) Measured at Amortised Cost						
i) Trade Payables	1,71,153	1,71,153	2,58,005	2,58,005	1,98,582	1,98,582
ii) Debt Securities	3,34,859	3,38,839	3,13,080	3,20,682	3,00,255	3,04,355
iii) Borrowings (Other than Debt Securities)	26,62,914	26,59,481	27,49,117	27,54,481	20,35,830	20,56,973
iv) Subordinated Liabilities	3,24,657	3,25,649	2,94,155	2,98,449	2,74,958	2,59,300
v) Other Financial Liabilities	89,081	89,081	81,412	81,412	61,106	61,106
Sub-total	**35,82,664**	**35,84,203**	**36,95,769**	**37,13,029**	**28,70,731**	**28,80,316**
b) Measured at Fair Value through Profit or Loss						
i) Derivative Financial Instruments	5,725	5,725	5,210	5,210	6,115	6,115
Sub-total	**5,725**	**5,725**	**5,210**	**5,210**	**6,115**	**6,115**
Total Financial Liabilities	**35,88,389**	**35,89,928**	**37,00,979**	**37,18,239**	**28,76,846**	**28,86,431**

Notes to Consolidated Financial Statements (Contd.)

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables

Loans measured at amortised cost

The fair values of loan assets are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at the average lending rate of the group.

Other financial assets measured at amortised cost

Other financial assets have assets with short-term maturity (less than twelve months) as on consolidated balance sheet date and therefore, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Debt Securities, Subordinated Liabilities and Other Borrowings measured at amortised cost

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted discounted at the average borrowing rate of the group.

Other financial liabilities measured at amortised cost

Other financial liabilities have liability with short-term maturity (less than twelve months) as on consolidated balance sheet date and therefore, the carrying amounts are a reasonable approximation of their fair value.

B) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Valuation techniques with observable inputs (Level 2): The fair value of financial instruments that are not traded in an active market (for example over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and Loan Assets carried at FVTPL.

(₹ in lacs)

	As at 31st March, 2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	8,242	-	8,242
Loans	-	-	2,92,681	2,92,681
Investments	22,777	10,044	1,57,073	1,89,894
Other Financial Assets	-	-	21,022	21,022
	22,777	**18,286**	**4,70,776**	**5,11,839**
Financial Liabilities				
Derivative Financial Instruments	-	5,725	-	5,725
	-	**5,725**	**-**	**5,725**

Notes to Consolidated Financial Statements (Contd.)

(₹ in lacs)

	As at 31st March, 2018			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	8,055	-	8,055
Loans	-	-	5,44,510	5,44,510
Investments	40,545	10,235	1,37,127	1,87,907
Other Financial Assets	-	-	39,209	39,209
	40,545	**18,290**	**7,20,846**	**7,79,681**
Financial Liabilities				
Derivative Financial Instruments	-	5,210	-	5,210
	-	**5,210**	**-**	**5,210**

(₹ in lacs)

	As at 1st April, 2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	-	12,344	-	12,344
Loans	-	-	4,26,523	4,26,523
Investments	15,230	8,890	2,07,119	2,31,239
Other Financial Assets	-	-	39,965	39,965
	15,230	**21,234**	**6,73,607**	**7,10,071**
Financial Liabilities				
Derivative Financial Instruments	-	6,115	-	6,115
	-	**6,115**	**-**	**6,115**

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in lacs)

Particulars	Fair Value As at			Fair Value Hierarchy	Valuation Technique and Key Input	Significant Unobservable Input
	31st March, 2019	31st March, 2018	1st April, 2017			
Financial Assets						
Derivative Financial Instruments	8,242	8,055	12,344	Level 2	Note (i)	Not Applicable
Loans	2,92,681	5,44,510	4,26,523	Level 3	Note (ii)	Note (vii)
Other Financial Assets	21,022	39,209	39,965	Level 3	Note (ii)	Note (vii)
Investments	22,777	40,545	15,230	Level 1	Note (iii)	Not Applicable
Investments	10,044	10,235	8,890	Level 2	Note (iv) & (v)	Not Applicable
Investments	1,57,073	1,37,127	2,07,119	Level 3	Note (vi)	Note (vii) & (viii)
Financial Liabilities						
Derivative Financial Instruments	5,725	5,210	6,115	Level 2	Note (i)	Not Applicable

Notes to Consolidated Financial Statements (Contd.)

(i) Mark-to-Market

Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.

(ii) Income Approach.

The discounted cash flow method was used to capture the present value of the expected future benefits to be derived from the underlying Assets.

(iii) Quoted Prices.

Quoted bid prices of an active market was used.

(iv) Comparable Company Method

Relevant information from companies operating in similar economic environment and industry was used.

(v) Price to Revenue/Earnings Multiple Method

Price was derived as a multiple of revenue/earnings.

(vi) Other Inputs

(a) Market Multiple Method: Relevant information from companies operating in similar economic environment and industry was used.

(b) Discounted Cash Flow Method: Present value of the expected future benefits to be derived from the underlying Assets.

(c) Net Asset Valuation Method: Value of the underlying net assets of the business.

(vii) Discount rate, determined using the average cost of borrowing + spread and contract yield rates.

(viii) Estimated future cash flows.

Reconciliation of Level 3 fair value measurements (₹ in lacs)

Reconciliation	Loans		Investments		Other Financial Assets	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Opening Balance	5,44,510	4,26,523	1,37,127	2,07,119	39,209	39,965
Purchases	2,77,703	4,86,921	8,036	8,494	-	-
Sales/ Repayments	(5,35,641)	(3,73,561)	4,885	(47,546)	(15,179)	(756)
Transfers into Level 3	-	-	-	-	-	-
Transfers from Level 3	-	-	-	(34,092)	-	-
Unrealised income/(loss)	3,440	4,627	7,025	3,152	(3,008)	-
Other Comprehensive Income	2,669	-	-	-	-	-
Closing Balance	**2,92,681**	**5,44,510**	**1,57,073**	**1,37,127**	**21,022**	**39,209**

Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

Notes to Consolidated Financial Statements (Contd.)

(₹ in lacs)

Reconciliation	31st March, 2019		31st March, 2018	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans	8,562	(8,170)	17,895	(12,431)
Investments	2,250	2,227	2,982	2,239
Other Financial Assets	1,473	112	2,418	953
Total	**12,285**	**(5,831)**	**23,295**	**(9,239)**

C) Financial risk management objectives

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks.

Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Group's senior management. It defines the strategy for managing liquidity and interest rate risks in the business.

a) Market risk

The Group's Financial Instruments are exposed to market changes. The Group is exposed to the following significant market risk:

i. Foreign Currency Risk

ii. Interest Rate Risk

iii. Other Price Risk

i. Foreign currency risk

The Group undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Group's functional currency (Indian Rupees).

Notes to Consolidated Financial Statements (Contd.)

Foreign Currency Exposure

(₹ in lacs)

31st March, 2019	USD	Euro	Others#	Total
Cash and Cash Equivalents	4	-	-	4
Loans	-	-	-	-
Liability for Expenses	86	-	-	86
Borrowings (Other than Debt Securities)	1,82,480	90,488	-	2,72,968
Trade Receivables	-	-	-	-
Trade Payables	-	-	-	-
Other Advances	-	-	-	-
31st March, 2018	**USD**	**Euro**	**Others#**	**Total**
Cash and Cash Equivalents	4	-	-	4
Loans	-	-	-	-
Liability for Expenses	85	-	-	85
Borrowings (Other than Debt Securities)	1,94,818	85,354	215	2,80,387
Trade Receivables	42	3	-	45
Trade Payables	1	-	-	1
Other Advances	48	-	-	48
1st April, 2017	**USD**	**Euro**	**Others#**	**Total**
Cash and Cash Equivalents	4	-	-	4
Loans	-	242	-	242
Liability for Expenses	99	-	-	99
Borrowings (Other than Debt Securities)	1,34,575	51,537	2,133	1,88,245
Trade Receivables	31	3	-	34
Trade Payables	-	-	-	-
Other Advances	38	-	-	38

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar

Hedged Foreign Currency balances (₹ in lacs):	Currency	31st March, 2019	31st March, 2018	1st April, 2017
Borrowings (Other than Debt Securities)	USD	1,82,480	1,91,560	1,27,280
	EUR	90,488	85,354	51,537
	Others#	-	215	2,133

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar

Foreign currency sensitivity

Foreign Currency Sensitivities (impact on increase in 2%)

(₹ in lacs)

Currency	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
USD	(3,651)	(3,896)	(2,692)
EUR	(1,810)	(1,707)	(1,026)
Others#	-	(4)	(43)

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar

Notes to Consolidated Financial Statements (Contd.)

The Group has entered into Spots, Forwards and Currency Swaps to manage its foreign currency risk. Hence, the Group's profit and loss and equity is not exposed to such foreign currency sensitivity.

Note: If the rate is decreased by 2%, profit of the group will increase by an equal amount.

ii. Interest rate risk

The Group is exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. The Group manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of interest rate swaps and cross currency interest rate swaps. Hedging activities are evaluated to align with interest rate views and defined risk appetite, to deploy the most cost effective hedging strategies.

The group is further exposed to interest rate risk as the group lends funds at floating interest rates.

Interest Rate Exposure (₹ in lacs)

As at 31st March, 2019	INR	EUR	USD	Others#	Total
Financial Assets					
Loans	21,28,614	-	-	-	21,28,614
Financial Liabilities					
Borrowings (Other than Debt Securities)	19,75,089	22,673	1,75,246	67,815	22,40,823
Subordinated Liabilities	15,000	-	-	-	15,000
As at 31st March, 2018	**INR**	**EUR**	**USD**	**Others#**	**Total**
Financial Assets					
Loans	19,52,355	-	-	-	19,52,355
Financial Liabilities					
Borrowings (Other than Debt Securities)	20,33,144	26,893	1,75,913	27,370	22,63,320
Subordinated Liabilities	19,234	5	-	-	19,239
As at 1st April, 2017	**INR**	**EUR**	**USD**	**Others#**	**Total**
Financial Assets					
Loans	17,31,205	242	-	-	17,31,447
Financial Liabilities					
Borrowings (Other than Debt Securities)	17,13,261	25,681	1,20,620	16,702	18,76,264
Subordinated Liabilities	37,444	-	-	-	37,444

Others primarily include GBP-Great Britain Pound and SGD-Singapore Dollar

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's consolidated statement of profit and loss and equity.

Notes to Consolidated Financial Statements (Contd.)

Interest Rate Sensitivities for outstanding exposure (impact on increase in 2%) (₹ in lacs)

Currency	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
INR	2,771	(2,000)	(390)
EUR	(453)	(538)	(509)
USD	(3,505)	(3,518)	(2,412)
Others#	(1,356)	(547)	(334)

Others primarily include EUR-EURO,GBP-Great Britain Pound and SGD-Singapore Dollar

Figures in brackets indicate decrease in profit

In some cases, the Group has entered into cross currency swap and interest rate swaps to manage its interest rate risk. The Group's profit and loss and equity is not exposed to interest rate sensitivity to that extent.

The sensitivity analysis above has been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

Note: If the rate is decreased by 2%, profit of the group will increase by an equal amount.

iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Group. The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through Profit and Loss/ fair value through Other Comprehensive Income as at 31st March, 2019 is ₹ 23,389 lacs (31st March, 2018: ₹ 40,523 lacs, 1st April, 2017: ₹.15,144 lacs)

A 10% change in equity prices of such securities held as at 31st March, 2019, 31st March, 2018 and 1st April, 2017, would result in an impact of ₹ 2,339 lacs in 31st March, 2019 (31st March, 2018 ₹ 4,052 lacs, 1st April, 2017 ₹ 1,515 lacs).

Notes to Consolidated Financial Statements (Contd.)

b) Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Group-specific and market-wide events.

Liquidity risk management :

(₹ in lacs)

Particulars	As at 31st March, 2019					As at 31st March, 2018					As at 1st April, 2017				
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
A: Financial Assets															
i) Cash and Cash Equivalents	272	30,762	-	-	**31,034**	328	33,835	-	-	**34,163**	257	34,989	-	-	**35,246**
ii) Bank Balance other than (i) above	52	45,267	98,987	24,810	**1,69,116**	35	29,464	66,816	19,649	**1,15,964**	35	42,002	15,917	4,215	**62,169**
iii) Derivative Financial Instruments	2,526	5,716	-	-	**8,242**	4,069	3,986	-	-	**8,055**	4,393	2,401	3,350	2,200	**12,344**
iv) Trade & Other Receivables	-	41,669	-	-	**41,669**	-	27,619	-	-	**27,619**	-	35,320	-	-	**35,320**
v) Loans*	-	4,74,517	5,00,882	19,60,306	**29,35,705**	-	4,11,953	5,93,073	20,19,866	**30,24,892**	-	2,87,382	5,71,206	16,31,659	**24,90,247**
vi) Investments	-	7,932	75,640	1,35,912	**2,19,484**	-	7,456	682	1,89,391	**197,529**	-	14,038	465	2,18,530	**2,33,033**
vii) Other Financial Assets	-	20,616	36,468	37,701	**94,785**	-	32,164	13,685	62,223	**1,08,072**	-	27,388	8,377	66,482	**1,02,247**
Total	**2,850**	**6,26,479**	**7,11,977**	**21,58,729**	**35,00,035**	**4,432**	**5,46,477**	**6,74,256**	**22,91,129**	**35,16,294**	**4,685**	**4,43,521**	**5,99,315**	**19,23,085**	**29,70,606**
B: Financial Liabilities															
i) Derivative Financial Instruments	423	5,302	-	-	**5,725**	815	315	538	3,542	**5,210**	1,793	431	1,478	2,413	**6,115**
ii) Trade Payables	-	61,532	98,297	11,324	**1,71,153**	-	1,12,758	1,38,263	6,984	**2,58,005**	-	1,13,074	82,851	2,657	**1,98,582**
iii) Borrowings	-	4,37,460	11,99,000	17,01,136	**33,37,596**	-	9,91,179	8,28,426	15,51,673	**33,71,278**	-	5,87,048	7,04,576	13,30,441	**26,22,065**
iv) Other Financial Liabilities	302	32,972	17,945	49,377	**1,00,596**	36	33,469	16,824	41,005	**91,334**	480	35,587	11,875	16,462	**64,404**
Total	**725**	**5,37,266**	**13,15,242**	**17,61,837**	**36,15,070**	**851**	**11,37,721**	**9,84,051**	**16,03,204**	**37,25,827**	**2,273**	**7,36,140**	**8,00,780**	**13,51,973**	**28,91,166**

* The Company has decided to exercise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the company, amounting to ₹ 3,65,832 lacs, which have been cosidered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

Notes to Consolidated Financial Statements (Contd.)

(₹ in lacs)

Particulars	As at 31st March, 2019					As at 31st March, 2018					As at 1st April, 2017				
	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total	On demand	Less than 3 months	3 to 12 months	>12 months	Total
Loans	-	95,404	1,11,827	1,58,601	3,65,832	-	-	-	-	-	-	-	-	-	-
	-	95,404	1,11,827	1,58,601	3,65,832	-	-	-	-	-	-	-	-	-	-

c) Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

Credit risk is monitored by the credit risk department of the Group's independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group conducts an industry analysis to determine the risk level of each industry which the Group is exposed to. The Group also performs portfolio analysis to analyze the correlations between different exposures, assess risk at an overall portfolio, and assess concentration risks in the portfolio. The Group also conducts stress testing at portfolio level to assess the impact on stress situations on the Group's portfolio. The corrective action taken by the Group includes obtaining collaterals which are easy to liquidate, which have high marketability and re-sale value.

Notes to Consolidated Financial Statements (Contd.)

38. Transfers of financial assets

Transfers of financial assets that are not derecognised in their entirety :

Assignment of Non-Performing Loan Assets to Asset Reconstruction Company (ARC):

The group has carried out an assignment transaction wherein it has assigned Non-Performing Loan Accounts to an Asset Reconstruction Company by transferring the loan assets to a Special Purpose Entity and subscribed to 85% of the total value of security receipts issued by the Trust. Even though the loan assets have been assigned, the group still holds the right (legal as well as contractual) to recover the entire overdue balance in respect of these loan assets. Further, the returns from the Security Receipts are dependent on the realisation from the assigned loan assets, leading to group bearing the risk of non-realisation from the pool to the extent of its investment in Security Receipts.

The group has also carried out securitisation transactions wherein it has securitised loans. Even though the loan assets have been securitised, the Company still holds the right (legal as well as contractual) to recover the entire overdue balance in respect of these loan assets. Further, the returns are dependent on the realisation from the securitised loan assets, leading to company bearing the risk of non-realisation from the pool.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Carrying amount of assets	1,39,179	74,721	*
Carrying amount of associated liabilities	1,23,033	79,111	*
Fair value of assets	1,40,731	75,791	*
Fair value of associated liabilities	1,21,552	76,647	*

* The group has chosen to apply the de-recognition requirements of Ind AS - 109 prospectively by choosing the first-time exemptions provided by Ind AS - 101.

39. Assets obtained by taking possession of collateral

The Group obtained the following non-financial assets during the year by taking possession of assets held as security against loans or third party security and held at the year end. The Group's policy is to determine whether such asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets acquired in satisfaction of debt at their fair value or carrying value, whichever is lower. The Group's policy is to realise collateral on a timely basis.

The table below outlines the nature and values of assets acquired in satisfaction of debt obtained during the year.

(₹ in lacs)

Particulars	18-19	17-18
Land	2,265	78,603
Property	-	23,330
Others	15,391	6,483
Total assets obtained by taking possession of collateral	**17,656**	**1,08,416**

40. Disclosure pursuant to Ind AS 19 - Employee Benefits

Defined contribution plans

The Group has recognised, in Consolidated Statement of Profit and Loss for the year ended 31st March, 2019 an amount of ₹ 26,035 lacs (Previous year ₹ 24,947 lacs) as expenses under defined contribution plans.

Notes to Consolidated Financial Statements (Contd.)

Defined benefit plans

(A) Gratuity Fund :-

The Group makes contributions to Defined Benefit Plans for qualifying employees. The scheme is funded by way of separate irrevocable trust. The fund is managed internally by the Group. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance. The Trustees of the gratuity scheme for the employees of the Group have interested the administration of the scheme to the Life Insurance Corporation of India (LIC).

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. The Group makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Group's plan (based on last monthly salary and number of years of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service.

Risk Management

The Defined Benefit Plans expose the Group to risk of actuarial deficit arising out of interest rate risk, salary inflation risk and demographic risk.

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(b) Salary Inflation risk: Higher than expected increase in salary will increase the defined benefit obligation.

(c) Demographic Risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of short career employee typically costs less per year as compared to long service employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31st March, 2019.

Notes to Consolidated Financial Statements (Contd.)

40.1 Particulars in respect of employee benefits of the Group are as follows :-

(₹ in lacs)

Description	Gratuity			Leave		
	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Change in the defined benefit obligation						
Present Value of Obligation at the Beginning of the Year	1,595	2,118	1,912	946	1,065	978
Current Service Cost	266	393	314	113	271	284
Interest Cost	112	148	144	47	60	58
Past Service Cost - Plan Amendments	-	4	-	-	-	-
Acquisitions Cost / credit	-	-	-	-	-	-
Actuarial (gain)/loss	13	(126)	(255)	409	393	162
Actuarial (gain)/loss - financial assumptions	13	(847)	126	6	(360)	47
Actuarial (gain)/loss - demographic assumptions	-	-	-	-	-	-
Adjustment on disposal / cessation of Subsidiaries	(102)	-	-	(45)	-	-
Benefits paid	(221)	(95)	(123)	(644)	(483)	(464)
Present Value of Obligation at the end of the Year	1,676	1,595	2,118	832	946	1,065
Change in plan assets						
Fair value of Plan Assets at the Beginning of the Year	1,092	909	869	NA	NA	NA
Expected return on Plan Assets	3	19	12	NA	NA	NA
Interest income on Plan Assets	73	56	53	NA	NA	NA
Acquisitions Cost/credit	-	1	-	NA	NA	NA
Contributions by the Employer	61	187	97	NA	NA	NA
Adjustment on disposal / cessation of Subsidiaries	(15)	-	-	NA	NA	NA
Benefits paid	(211)	(80)	(122)	NA	NA	NA
Fair value of Plan Assets at the end of the Year	1,003	1,092	909	NA	NA	NA

Basis used to determine the Expected Rate of Return on Plan Assets

The expected return on plan assets is determined based on government bond rate.

(₹ in lacs)

Description	Gratuity			Leave		
	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Amount recognised in Consolidated Balance Sheet consists of:						
Fair value of Plan Assets at the end of the Year	1,003	1,092	909	-	-	-
Present Value of Obligation at the end of the Year	1,676	1,595	2,118	832	946	1,065
Net (Asset)/Liabilities recognised in the Consolidated Balance Sheet in respect of defined benefits	673	502	1,208	(316)	(448)	(433)

Notes to Consolidated Financial Statements (Contd.)

(₹ in lacs)

Description	Gratuity		Leave	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Expenses recognised in the consolidated statement of profit and loss consists of:				
Employee benefits expenses:				
Current Service cost	266	393	109	271
Past Service Cost - Plan Amendments	-	6	-	-
Net Interest cost	37	79	47	60
Net Actuarial (gain)/loss	-	-	415	33
Total [A]	**302**	**478**	**571**	**364**
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	5	(105)	-	-
Actuarial (Gain) / Loss from financial assumptions	21	(871)	-	-
Return on plan assets (excluding amounts included in net interest cost)	3	(8)	-	-
Total [B]	**29**	**(984)**	**-**	**-**
Expense recognised during the year [A+B]	**331**	**(506)**	**575**	**364**

40.2 Particulars of Investment Details of Plan Assets are as follows :-

(₹ in lacs)

Description	Gratuity % Invested			Leave % Invested		
	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Investment Details of Plan Assets						
Schemes of insurance- conventional products	100%	100%	100%	Not Applicable		
Total	**100%**	**100%**	**100%**			

40.3 Principal Assumptions used are as follows:

Discount rate per annum	7.50%	7.60%	7.15%	7.50%	7.60%	7.15%
Salary escalation rate per annum	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

40.4 The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

40.5 Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Description	As at 31st March, 2019				As at 31st March, 2018				As at 1st April, 2017			
	Gratuity Fund		Leave		Gratuity Fund		Leave		Gratuity Fund		Leave	
	%	(₹ in lacs)"	%	(₹ in lacs)"	%	(₹ in lacs)"	%	(₹ in lacs)"	%	(₹ in lacs)"	%	(₹ in lacs)"
Discount Rate + 100 basis points	-10.0%	(160)	-10.2%	(82)	-9.97%	(143)	-0.06	(51)	-12.16%	(237)	-9.28%	(91)
Discount Rate - 100 basis points	11.7%	187	12.0%	96	11.69%	167	0.07	59	14.57%	284	11.17%	109
Salary Increase Rate + 1%	8.8%	140	12.0%	96	9.37%	134	0.07	60	10.85%	212	10.89%	106
Salary Increase Rate – 1%	-8.1%	(130)	-10.4%	(83)	-8.43%	(121)	-0.06	(51)	-9.80%	(191)	-9.28%	(91)

The above data represents the sensitivity for the data pertaining to the Company and it's material subsidiary "Srei Equipment Finance Limited".

40.6 Maturity Analysis Of The Benefit Payments (₹ in lacs)

Expected payment for future years	As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017	
	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave
Year 1	42	24	73	259	46	180
Year 2	57	26	69	141	75	109
Year 3	103	41	76	81	82	68
Year 4	150	62	108	57	83	44
Year 5	161	48	154	63	120	41
Next 5 Years	1,116	345	1,024	257	1,059	241

40.7 Weighted average duration of defined benefit obligations: 13 years (Previous year: 13 years).

Notes to Consolidated Financial Statements (Contd.)

41. Disclosure pursuant to Indian Accounting Standard 24 -"Related Party Disclosures"

Related Parties:	
Holding Company:	**Country of Origin**
Adisri Commercial Private Limited	India
Subsidiary of Holding Company:	**Country of Origin**
Srei Factors Private Limited (w.e.f. 02.01.2019)	India
Associates & Related Subsidiaries:	**Country of Origin**
Sahaj e-Village Limited	India
Attivo Economic Zone (Mumbai) Private Limited (ceased to be Associate w.e.f. 29.09.2018)	India
IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany)	Germany
AO International Infrastructure Services, Russia (Formerly AO Srei Leasing, Russia), (Subsidiary of IIS International Infrastructure Services GmbH, Germany)	Russia
Sahaj Retail Limited (Subsidiary of Sahaj e-Village Limited)	India
Rural Innovation Labs Pvt. Ltd (ceased to be Subsidiary of Sahaj e-Village Limited w.e.f. 01.10.2018)	India
Enterprise over which relative of a KMP has significant influence:	
India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	
Others :	
Srei Infrastructure Finance Limited Employees Gratuity Fund	
Key Management Personnel (KMP):	
Name	**Designation**
Mr. Hemant Kanoria	Chairman
Mr. Sameer Sawhney (upto 05.09.2018)	Chief Executive Officer
Mr. Rakesh Kumar Bhutoria (w.e.f. 16.11.2018)	Chief Executive Officer
Mr. Sandeep Lakhotia	Company Secretary
Mr. Kishore Kumar Lodha (upto 15.01.2018)	Chief Financial Officer
Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Chief Financial Officer
Mr. Sanjeev Sancheti (from 28.04.2018)	Chief Strategy Officer
Mr. Chandrasekhar Mukherjee#	Group Chief People Officer
Mr. Samir Kumar Kejriwal#	Senior Vice President
Mr. Debashis Ghosh#	Internal Auditor
Mr. Salil Kumar Gupta (ceased w.e.f. 22.07.2017)	Independent Director
Mr. Malay Mukherjee (w.e.f. 26.10.2017)	Independent Director
Mr. Srinivasachari Rajagopal	Independent Director
Mr. Shyamalendu Chatterjee	Independent Director
Dr. Punita Kumar Sinha	Independent Director
Mr. Ram Krishna Agarwal	Independent Director
Mr. T. C. A. Ranganathan (Upto 07.12.2017)	Independent Director
Mr. Sunil Kanoria	Vice Chairman (Non Executive Director)
Dr. Tamali Sengupta (upto 26.10.2017, reappointed w.e.f. 04.02.2019)	Additional Director (Category – Independent)
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Additional Director (Category – Non Executive Non Independent)

Designated as KMP from 28.04.2018 to 04.02.2019

Notes to Consolidated Financial Statements (Contd.)

Details of Related Party Transactions:

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance As at	For the Year ended	Balance As at	Balance As at
		31st March, 2019		31st March, 2018		1st April, 2017
(A) Holding Company :						
Adisri Commercial Private Limited	Dividend Paid	1,518	-	1,518	-	-
(B) Associates:						
Sahaj e-Village Limited	Loan Advanced	2,787	14,878	23,595	12,091	2,338
	Refund of Loan Advanced	-	-	13,842	-	-
	Fees Income	-	-	0.50	-	-
	Rental Received	85	148	88	63	12
	Purchase of Services (Excluding Tax)	13	155	10	161	154
	Sale of Receivables	-	-	11,926	-	-
	Interest Received on Loan	1,242	-	1,506	-	1,210
	Interest Paid on Margin Money	12	-	-	-	2
	Security Deposit Refunded	-	-	2	-	-
	Fair value gain on financial assets	-	-	86	-	-
	Financial Guarantee Income	32	-	23	-	-
	Financial Guarantee Expenses	8	-	11	-	-
	Deposit Received	770	152	-	-	-
	Deposit Refunded	618	-	-	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	4	-	3	39
	Deemed Investment	-	-	1	-	-
	Financial Guarantee Contract Liability	-	84	-	103	114
	Commitment to the extent of facility outstanding (Commitment Amount 31st March, 2019 ₹ Nil, 31st March, 2018: ₹ 380 lacs, 1st April, 2017 - ₹ 380 lacs)	-	-	26	27	

Notes to Consolidated Financial Statements (Contd.)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance As at	For the Year ended	Balance As at	Balance As at
		31st March, 2019		31st March, 2018		1st April, 2017
	Corporate Guarantee to the extent of facility outstanding (Guarantee Amount 31st March, 2019 ₹ 9,544 lacs, 31 March, 2018: ₹ 9,544 lacs, 1st April, 2017: ₹ 9,544 lacs)	-	407	-	1,115	1,172
	Put Option to Bank against loan facility outstanding (Put Option Amount - ₹ 1,500 lacs, 31st March, 2018: ₹ 2,500 lacs, 1st April, 2017: ₹ 2,500 lacs)	-	1,193	-	1,335	1,256
	Guarantee of Put option against Loan facility closed	1,000	-	-	-	-
	Commitment against credit facility closed	380	-	-	-	-
Attivo Economic Zone (Mumbai) Private Limited (ceased to be Associate w.e.f. 29.09.2018)	Loan Advanced	2,882	-	3,688	7,388	30,385
	Refund of Loan Advanced	-	-	34,073	-	-
	Gain on Fair Value Changes	-	-	630	-	-
	Interest Received on Loan	423	-	3,373	-	-
	Balance Receivable-Interest accrued but not due (Net of TDS)	-	-	-	-	248
IIS International Infrastructure Services GmbH	Bad Debts written off	-	-	296	-	-
	Interest Received on Loan	-	-	-	-	30
	Loan advanced	-	-	-	-	242
Rural Innovation Labs Pvt. Ltd (ceased to be Subsidiary of Sahaj e-Village Ltd. w.e.f. 01.10.2018)	Loan Advanced	110	-	390	390	-
	Refund of Loan Advanced	500	-	-	-	-
	Interest Received on Loan	28	-	25	0.94	-
	Balance Receivable-interest accrued but not due (Net of TDS)	-	-	-	4	-

Notes to Consolidated Financial Statements (Contd.)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance As at	For the Year ended	Balance As at	Balance As at
		31st March, 2019		31st March, 2018		1st April, 2017
(C) Remuneration to Key Management Personnel (KMP):						
Mr. Hemant Kanoria	Remuneration	698	46	657	28	34
	Commission	306	306	384	384	209
	Dividend Paid	4	-	2	-	-
Mr. Sandeep Lakhotia	Remuneration	95	-	93	-	-
	Dividend Paid	3	-	2	-	-
Mr. Sameer Sawhney (upto 05.09.2018)	Remuneration	66	-	148	-	-
Mr. Rakesh Bhutoria (w.e.f. 16.11.2018)	Remuneration	159	-	-	-	-
Mr Kishore Kumar Lodha (upto 15.01.2018)	Remuneration	-	-	46	-	-
	Dividend Paid	-	-	0.08	-	-
Mr. Sandeep Kumar Sultania (w.e.f. 05.07.2018)	Remuneration	67	-	-	-	-
Mr. Sanjeev Sancheti	Remuneration	152	-	-	-	-
	Dividend Paid	3	-	0.08	-	-
Mr. Chandrasekhar Mukherjee (from 28.04.2018 to 03.02.2019)	Remuneration	207	-	-	-	-
Mr. Samir Kumar Kejriwal (from 28.04.2018 to 03.02.2019)	Remuneration	39	-	-	-	-
	Dividend Paid	0.04	-	0.08	-	-
Mr. Debashis Ghosh	Dividend Paid	0.14	-	0.08	-	-
Mr. Sunil Kanoria	Remuneration	455	27	421	26	23
	Commission Paid	314	314	277	277	159
	Dividend Paid	18	-	9	-	-
	Sitting Fees	11	-	11	-	-
Mr. Malay Mukherjee	Commission Paid	8	8	5	5	-
	Sitting Fees	8	-	2	-	-
Mr. S.Rajagopal	Commission Paid	8	8	13	13	8
	Sitting Fees	9	-	5	-	-
Mr. Salil Kumar Gupta (ceased w.e.f. 22.07.2017)	Commission Paid	-	-	-	-	10
	Sitting Fees	-	-	3	-	-
Mr. S.Chatterjee	Commission Paid	8	8	15	15	13
	Sitting Fees	29	-	24	-	-
Dr. Punita Kumar Sinha	Commission Paid	8	8	15	15	13
	Sitting Fees	8	-	6	-	-
Mr. Ram Krishna Agarwal	Commission Paid	8	8	15	15	8
	Sitting Fees	7	-	3	-	-
Mr. T. C. A. Ranganathan (Upto 07.12.2017)	Commission Paid	-	-	-	-	8
	Sitting Fees	-	-	4	-	-

Notes to Consolidated Financial Statements (Contd.)

Name of related party & Nature of relationship	Nature of Transactions	For the Year ended	Balance As at	For the Year ended	Balance As at	Balance As at
		31st March, 2019		31st March, 2018		1st April, 2017
Dr. Tamali Sengupta	Sitting Fees	1	-	4	-	-
	Commission Paid	-	-	-	-	8
Mr. Balaji Viswanathan Swaminathan (w.e.f. 05.09.2018)	Sitting Fees	4	-	-	-	-
	Consultancy	70	-	-	-	-
(D) Transaction with Relative of KMP:						
Mr. Anant Raj Kanoria (Son of Mr. Sunil Kanoria)	Consultancy	6	-	6	-	-
Sandeep Lakhotia (HUF), (HUF of Mr. Sandeep Lakhotia)	Sale of Motor Vehicle	-	-	1	-	-
(E) Enterprise over which KMP has significant influence:						
India Power Corporation Limited (significant influence w.e.f. 01.06.2017)	Rental Received	-	-	882	72	-
	Income from Assets given on Operating Lease	1,665	-	2,368	-	-
	Trade receivables and income from assets given on operating lease accrued but not due	-	1,124	-	829	-
	Rent paid for leased premise	2	-	23	-	-
	Deposits Received	29,670	-	-	-	-
	Deposits Refunded	29,670	-	-	-	-
	Interest Paid on Deposits	84	-	-	-	-
	Balance Payable-Interest accrued but not due (Net of TDS)	-	20	-	-	-
(F) Others :						
Srei Infrastructure Finance Limited Employees Gratuity Fund	Contribution towards Gratuity	-	-	-	-	25

Notes to Consolidated Financial Statements (Contd.)

(G) Compensation to KMPs:

(₹ in lacs)

Particulars	2018-19	2017-18
Short-term benefit	2,582	2,028
Other long-term employee benefit	29	18
Post-employment benefit	134	105

42. Leases

a. In the capacity of Lessee

(i) The Group has certain cancellable operating lease arrangements for office premises and equipments, which range between 11 months to 15 years and are usually renewable by mutual consent, on mutually agreeable terms. Some of these lease agreements have rent escalation upto 5% p.a. or 10% p.a. on renewals. Lease payments charged to the Consolidated Statement of Profit and Loss with respect to such leasing arrangements aggregate to ₹ 4,048 lacs (Previous year: ₹ 8,355 lacs).

Contingent rent recognised for agreements which stipulate rent payment based on usage is Nil (Previous year Nil).

(ii) Further, the Group had certain non-cancellable operating lease arrangements for office premises, which ranges between 11 months to 21 years and was renewable by mutual consent on mutually agreeable terms. In respect of such arrangements, lease payments for the previous year aggregating to ₹ 115 lacs (Previous year ₹ 95 lacs) have been recognised in the Consolidated Statement of Profit and Loss.

The future lease payments in respect of the above non-cancellable operating leases are as follows:

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2019	As at 1st April, 2017
Not later than 1 year	152	71	106
Later than 1 year but not later than 5 years	16	30	115
Later than 5 years	-	-	61
Total	**168**	**101**	**282**

(iii) Sub lease payments received (or receivable) recognised in the Consolidated Statement of Profit and Loss for the year is ₹ 1,474 lacs (Previous year ₹ 1,333 lacs). Future minimum sublease payments expected to be received under non-cancellable subleases is Nil (Previous year: ₹ 875 lacs).

b. In the capacity of Lessor

(i) The Group has given assets on Operating lease (refer Note No. 14) for periods ranging between 1 to 15 years. Some of these lease agreements stipulate rental computation on the basis of earnings of the Lessee. Such contingent rent recognised during the year is ₹ 1,745 lacs (Previous year ₹ 5,499 lacs).

The future minimum lease receivables in respect of non-cancellable operating leases are as follows:

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Not later than 1 year	1,28,158	1,16,512	49,565
Later than 1 year but not later than 5 years	2,42,918	2,59,756	1,22,424
Later than 5 years	2,843	5,345	10,612
Total	**3,73,919**	**3,81,613**	**1,82,601**

Notes to Consolidated Financial Statements (Contd.)

(ii) The Group also has cancellable operating lease arrangements for office premises, which range between 1 to 3 years and are usually renewable by mutual consent on mutually agreeable terms. Further, the Group had non-cancellable arrangement which is of 3 years and was renewable by mutual consent on mutually agreeable terms. In respect of non-cancellable arrangements, lease earning for the year aggregating to ₹ 1 Lakh (Previous year ₹ 2 lacs) has been recognised in the Consolidated Statement of Profit and Loss.

The future minimum lease receivables in respect of non-cancellable operating leases are as follows:

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Not later than 1 year	-	1	1
Later than 1 year but not later than 5 years	-	-	1
Later than 5 years	-	-	-
Total	**-**	**1**	**2**

Notes to Consolidated Financial Statements (Contd.)

43 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. (₹ in lacs)

Assets	As at 31st March, 2019			As at 31st March, 2018			As at 1st April, 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	31,034	-	31,034	34,163	-	34,163	35,246	-	35,246
Bank Balance other than above	1,44,307	24,809	1,69,116	96,316	19,648	1,15,964	57,955	4,214	62,169
Derivative Financial Instruments	8,242	-	8,242	8,055	-	8,055	12,344	-	12,344
Trade Receivables	28,236	-	28,236	15,309	-	15,309	9,861	-	9,861
Other Receivable	-	-	-	-	-	-	8,913	-	8,913
Loans*	9,52,060	18,47,636	27,99,696	9,38,221	18,95,547	28,33,768	7,83,498	15,20,044	23,03,542
Investments	83,571	1,28,282	2,11,853	8,507	1,84,429	1,92,936	15,352	2,17,681	2,33,033
Other Financial Assets	53,406	28,247	81,653	42,036	49,518	91,554	36,808	45,356	82,164
Inventories	-	-	-	2,634	-	2,634	2,203	-	2,203
Current Tax Assets (Net)	-	14,109	14,109	19,671	-	19,671	-	17,979	17,979
Deferred Tax Assets (Net)	-	19,417	19,417	26,388	-	26,388	-	31,894	31,894
Investment Property	-	1,801	1,801	-	1,838	1,838	-	1,874	1,874
Property, Plant and Equipment	-	5,01,178	5,01,178	-	5,05,311	5,05,311	-	2,95,594	2,95,594
Capital Work-in-Progress	-	489	489	-	390	390	-	859	859
Other Intangible Assets	-	570	570	-	1,220	1,220	-	2,550	2,550
Other Non-Financial Assets	1,33,816	17,708	1,51,524	2,25,116	26,581	2,51,697	1,30,550	16,640	1,47,190
Liabilities	**As at 31st March, 2019**			**As at 31st March, 2018**			**As at 1st April, 2017**		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Derivative Financial Instruments	5,725	-	5,725	5,210	-	5,210	6,115	-	6,115
Trade Payables	1,59,829	11,324	1,71,153	2,51,021	6,984	2,58,005	1,95,925	2,657	1,98,582
Debt Securities	97,778	2,37,081	3,34,859	77,000	2,36,080	3,13,080	46,697	2,53,558	3,00,255
Borrowings (Other than Debt Securities)	14,84,760	11,78,154	26,62,914	17,11,260	10,37,857	27,49,117	11,99,919	8,35,911	20,35,830
Subordinated Liabilities	49,200	2,75,457	3,24,657	9,132	2,85,023	2,94,155	44,033	2,30,925	2,74,958
Other Financial Liabilities	52,167	36,914	89,081	50,617	30,795	81,412	45,709	15,397	61,106
Provisions	444	1,652	2,096	684	1,422	2,106	550	2,323	2,873
Other Non-Financial Liabilities	4,083	13,986	18,069	3,518	14,540	18,058	7,918	9,107	17,025

*The Company has decided to execise put option (right to recall the loan under the loan agreement) in respect of certain loans given by the company, amounting to ₹ 3,65,832 Lacs, which have been considered in "Loans" above while arriving at the maturity pattern. Details in respect of the same are as follows:

(₹ in lacs)

Assets	As at 31st March, 2019			As at 31st March, 2018			As at 1st April, 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Loans	2,07,231	1,58,601	3,65,832	-	-	-	-	-	-

Notes to Consolidated Financial Statements (Contd.)

44. Segment Reporting

The Chief Operating Decision-Maker (CODM) assess the financial performance and position of and makes strategic decisions. Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of services offered.

Segment wise details (information provided in respect of revenue items for the year ended 31st March, 2019 and in respect of assets/ liabilities as at 31st March, 2019 – denoted as "CY" below, previous year denoted as "PY") as required by Ind AS - 108, "Segment Reporting" are as under:-

(₹ in lacs)

Particulars	Financial Services		Infrastructure Equipment Services		Others		Total	
	CY	PY	CY	PY	CY	PY	CY	PY
Gross Segment Revenue	6,20,850	5,25,130	31,781	22,399	242	1,287	6,52,873	5,48,816
Less: Inter Segment Revenue	1,845	8,758	3,536	-	156	4	5,537	8,762
Net Segment Revenue	6,19,005	5,16,372	28,245	22,399	86	1,283	6,47,336	5,40,054
Segment Result before Interest & Finance Charges	4,23,287	3,52,483	5,163	7,958	(44)	(1,784)	4,28,406	3,58,657
Interest & Finance Charges	3,60,707	3,00,335	906	679	5	-	3,61,618	3,01,014
Tax Expenses							18,082	18,366
Share of Profit/ (Loss) of Associates							(28)	(1,548)
Profit After Tax							**48,678**	**37,729**
Segment Assets	39,96,994	40,46,172	-	32,293	2,021	2,547	39,99,015	40,81,012
Unallocable Assets							20,669	20,652
Total Assets	**39,96,994**	**40,46,172**	**-**	**32,293**	**2,021**	**2,547**	**40,19,684**	**41,01,664**
Segment Liabilities	36,08,477	37,06,992	-	12,413	25	1,703	36,08,502	37,21,108
Unallocable Liabilities							52	35
Total Liabilities	**36,08,477**	**37,06,992**	**-**	**12,413**	**25**	**1,703**	**36,08,554**	**37,21,143**
Capital Expenditures	1,05,730	2,76,338	60	231	-	-	1,05,790	2,76,569
Depreciation, Amortisation and Impairment	81,019	63,009	446	623	45	45	81,510	63,677
Other Non-Cash Expenditure							47,059	38,873

44.1 Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Associate is ₹ 8,085 lacs (Previous year: ₹ 33 lacs). It has been accounted for as per Ind AS 110, "Consolidated Financial Statements"

Notes to Consolidated Financial Statements (Contd.)

45. Disposal of Subsidiaries and Associate

The Company completed the sale of the controlling stake in the following subsidiaries :

a) Quippo Energy Limited (ceased to be a subsidiary w.e.f 28.03.2019)

b) Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f 31.03.2019)

c) Srei Infrastructure Advisors Limited (ceased to be Subsidiary w.e.f. 12.03.2018)

The Company disposed its associate Attivo Economic Zone (Mumbai) Private Limited on 29.09.2018.

i) Details of Net Assets of Subsidiaries disposed off:

(₹ in lacs)

Particulars	2018-19	2017-18
Total Assets (A)	37,842	18
Total Liabilities (B)	37,329	1
Net assets disposed off (A-B)	**513**	**17**

ii) Gain / (Loss) on disposal of Subsidiaries

(₹ in lacs)

Particulars	2018-19	2017-18
Sale Consideration - In Cash	513	17
Net Assets disposed off	750	-
Total	**(237)**	**17**
Adjustments in respect of :		
Elimination of unrealised profits and pre-acquisition profits	10,661	16
Impairment and Fair Value Adjustments	(2,335)	-
Gain on disposal	**8,089**	**33**

iii) Gain / (Loss) on disposal of Associate

(₹ in lacs)

Particulars	2018-19	2017-18
Share of Profit of Associate now reversed as a result of disposal	(4)	
Gain on disposal	**(4)**	**-**

Notes to Consolidated Financial Statements (Contd.)

46. Additional Information as per Schedule III of The Companies Act, 2013

(₹ in lacs)

Sl. No.	Name of the entity	As at 31st March, 2019		2018-19					
		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Profit after tax)		Other Comprehensive Income		Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Parent									
1	Srei Infrastructure Finance Limited	28.84%	1,18,571	14.53%	7,072	140.89%	(12,672)	-14.11%	(5,600)
Subsidiaries Indian:									
1	Srei Capital Markets Limited	0.05%	194	0.03%	17	0.00%	-	0.04%	17
2	Srei Equipment Finance Limited	70.06%	2,88,034	60.92%	29,661	-40.79%	3,668	83.97%	33,329
3	Srei Alternative Investment Managers Limited	0.46%	1,903	0.20%	98	0.03%	(3)	0.24%	95
4	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	0.01%	21	-0.01%	(6)	0.00%	-	-0.02%	(6)
5	Cyberabad Trustee Company Pvt. Limited (Subsidiary of Srei Alternative Investment Managers Limited)	0.00%	6	0.00%	-	0.00%	-	0.00%	-
6	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary upto 11.03.2018 and became Subsidiary w.e.f. 12.03.2018)	0.03%	125	0.04%	19	0.00%	-	0.05%	19
7	Controlla Electrotech Private Limited	0.47%	1,926	-0.14%	(69)	0.00%	-	-0.17%	(69)
8	Srei Mutual Fund Asset Management Private Limited	0.00%	(7)	-0.56%	(273)	-0.03%	3	-0.68%	(270)
9	Srei Mutual Fund Trust Private Limited	0.00%	8	-0.01%	(7)	0.00%	-	-0.02%	(7)
10	Srei Insurance Broking Private Limited	0.08%	325	0.28%	136	-0.03%	3	0.35%	139
11	Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f 31.03.2019)	0.00%	-	6.72%	3,273	0.07%	(6)	8.23%	3,267

Notes to Consolidated Financial Statements (Contd.)

(₹ in lacs)

Sl. No.	Name of the entity	As at 31st March, 2019		2018-19					
		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Profit after tax)		Other Comprehensive Income		Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
12	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to be a sub- subsidiary w.e.f 31.03.2019)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
13	Quippo Energy Limited (ceased to be a subsidiary w.e.f 28.03.2019)	0.00%	-	1.44%	700	-0.14%	13	1.80%	713
14	Srei Mutual Fund Trust	0.00%	1	0.00%	-	0.00%	-	0.00%	-
15	Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	0.00%	10	0.00%	-	0.00%	-	0.00%	-
Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Associate		0.00%	-	16.61%	8,085	0.00%	-	20.37%	8,085
Non-Controlling Interests in all subsidiaries		0.00%	13	-0.01%	(7)	0.00%	-	-0.02%	(7)
Associates (investment as per equity method) Indian:									
1	Sahaj e-Village Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates (investment as per equity method) Foreign:									
1	IIS International Infrastructure Services GmbH, Germany (ceased to be Subsidiary and has become Associate w.e.f. 21.06.2016)	0.00%	-	-0.06%	(28)	0.00%	-	-0.07%	(28)
	TOTAL	**100.00%**	**4,11,130**	**100.00%**	**48,685**	**100.00%**	**(8,994)**	**100.00%**	**39,691**

Note: Figures are after elimination of related party transactions between entities considered for consolidation.

Notes to Consolidated Financial Statements (Contd.)

47. ADDITIONAL INFORMATION AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

(₹ in lacs)

Sl. No.	Name of the entity	As at 31st March, 2018		2017-18					
		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Profit after tax)		Other Comprehensive Income		Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Parent									
1	Srei Infrastructure Finance Limited	26.96%	1,02,576	18.83%	7,108	244.44%	(5,754)	3.82%	1,354
Subsidiaries Indian:									
1	Srei Capital Markets Limited	0.17%	664	0.04%	16	0.04%	(1)	0.04%	15
2	Srei Equipment Finance Limited	66.87%	2,54,491	68.76%	25,961	-150.00%	3,531	83.32%	29,492
3	Srei Alternative Investment Managers Limited	0.37%	1,391	0.26%	97	9.47%	(223)	-0.36%	(126)
4	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Srei Alternative Investment Managers Limited)	0.01%	35	-0.02%	(7)	0.00%	-	-0.02%	(7)
5	Cyberabad Trustee Company Pvt. Limited (Subsidiary of Srei Alternative Investment Managers Limited)	0.00%	3	0.00%	-	0.00%	-	0.00%	-
6	Bengal Srei Infrastructure Development Limited (Step-down Subsidiary upto 11.03.2018 and became Subsidiary w.e.f. 12.03.2018)	0.03%	108	-0.10%	(38)	0.00%	-	-0.11%	(38)
7	Controlla Electrotech Private Limited	0.21%	787	-3.31%	(1,250)	0.00%	-	-3.53%	(1,250)
8	Srei Mutual Fund Asset Management Private Limited	0.01%	48	-0.24%	(89)	0.00%	-	-0.25%	(89)
9	Srei Mutual Fund Trust Private Limited	0.00%	4	-0.02%	(7)	0.00%	-	-0.02%	(7)
10	Srei Insurance Broking Private Limited	0.13%	503	0.46%	174	-0.47%	11	0.52%	185

Notes to Consolidated Financial Statements (Contd.)

(₹ in lacs)

Sl. No.	Name of the entity	As at 31st March, 2018		2017-18					
		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Profit after tax)		Other Comprehensive Income		Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
11	Quippo Oil & Gas Infrastructure Limited (ceased to be a subsidiary w.e.f 31.03.2019)	2.75%	10,456	17.32%	6,539	-3.44%	81	18.70%	6,620
12	Quippo Drilling International Private Ltd (Formerly Performance Drilling International Private Ltd) (Subsidiary of Quippo Oil & Gas Infrastructure Limited) (ceased to be a sub-subsidiary w.e.f 31.03.2019)	0.00%	2	0.00%		0.00%	-	0.00%	-
13	Quippo Energy Limited (ceased to be a subsidiary w.e.f 28.03.2019)	2.48%	9,422	1.96%	740	-0.04%	1	2.09%	741
14	Srei Mutual Fund Trust	0.00%	1	0.00%		0.00%	-	0.00%	-
15	Srei Asset Finance Limited (Formerly Srei Asset Reconstruction Private Limited)	0.00%	10	0.00%		0.00%	-	0.00%	-
Adjustment on disposal/cessation of Subsidiaries, Step-down Subsidiaries and Associate		0.00%	-	0.09%	33	0.00%	-	0.09%	33
Non-Controlling Interests in all subsidiaries		0.01%	20	-0.07%	(28)	0.00%	-	-0.08%	(28)
Associates (investment as per equity method) Indian:									
1	Sahaj e-Village Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
2	Attivo Economic Zone (Mumbai) Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates (investment as per equity method) Foreign:									
1	IIS International Infrastructure Services GmbH, Germany (ceased to be Subsidiary and has become Associate w.e.f. 21.06.2016)	0.00%	-	-4.10%	(1,548)	0.00%	-	-4.37%	(1,548)
	TOTAL	**100.00%**	**3,80,521**	**100.00%**	**37,757**	**100.00%**	**(2,354)**	**100.00%**	**35,403**

Notes to Consolidated Financial Statements (Contd.)

48. The financial statements of IIS International Infrastructure Services GmbH, Germany (Formerly Srei International Infrastructure Services GmbH, Germany) (IIS), a foreign associate company of the Company has been prepared as per IFRS, generally accepted accounting principles followed in the country of incorporation of the foreign associate company. As there are no material differences between such financial statements as per IFRS and as per Ind AS, no adjustments have been considered necessary.

49. Figures pertaining to the previous year have been rearranged / regrouped, wherever necessary, to make them comparable with those of current year.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Manoj Daga
Partner
Membership No. 048523

Place: Kolkata
Date: 25th May, 2019

For and on behalf of the Board of Directors

Hemant Kanoria	**Shyamalendu Chatterjee**		
Chairman	Director		
Rakesh Kumar Bhutoria	**Sandeep Kumar Sultania**	**Sandeep Lakhotia**	
Chief Executive Officer	Chief Financial Officer	Company Secretary	

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures under section 129(3) read with rule 5 of the Companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

(₹ In lacs)

Names of Companies	Srei Capital Markets Ltd.	Srei Alternative Investment Managers Ltd.	Bengal Srei Infrastructure Development Ltd	Controlla Electrotech Pvt Ltd	Srei Mutual Fund Asset Management Pvt. Ltd.	Srei Mutual Fund Trust Pvt. Ltd.	Srei Insurance Broking Pvt Ltd.	Hyderabad Information Technology Venture Enterprises Ltd.	Cyberabad Trustee Company Pvt. Ltd.	Srei Equipment Finance Limited	Srei Asset Finance Limited[3]
Sl. No.	1	2	3	4	5	6	7	8	9	10	11
The date since when the subsidiary was acquired	26.12.1998	25.12.1997	25.09.2008	06.06.2008	27.11.2009	27.11.2009	31.03.2012	29.08.2007	29.08.2007	17.06.2016	31.03.2015
Reporting period	Mar 31, 2019	Mar 31, 2019	Mar 31, 2019	Mar 31, 2019	Mar 31, 2019	Mar 31, 2019	Mar 31, 2019	Mar 31, 2019	Mar 31, 2019	Mar 31, 2019	Mar 31, 2019
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange rate on last day of reporting year (In INR)											
Share Capital	505.00	25.00	5.00	3.53	1,850.00	15.00	490.00	25.00	5.00	5,966.00	10.00
Reserves & Surplus	194.29	1,194.71	(45.91)	(477.35)	(657.96)	(6.77)	36.90	36.58	1.19	2,84,468.00	(0.02)
Total Assets	869.90	2,395.09	121.63	1,933.12	1,220.18	8.68	670.37	62.00	6.27	26,60,474.00	10.98
Total Liabilities	869.90	2,395.09	121.63	1,933.12	1,220.18	8.68	670.37	62.00	6.27	26,60,474.00	10.98
Investments	27.19	1,361.61	-	-	-	-	-	-	-	10,341.00	-
Turnover	961.18	505.49	92.04	160.00	105.20	0.21	781.75	3.32	0.42	4,36,684.00	1.87
Profit/(Loss) before Tax	50.36	47.08	5.66	(32.80)	(168.07)	(6.81)	163.59	(5.98)	0.05	45,673.00	0.06
Provision for Taxation	14.38	13.52	3.10	0.33	-	-	40.58	-	0.02	15,035.00	0.02
Profit/(Loss) after Tax	35.98	33.56	2.56	(33.13)	(168.07)	(6.81)	123.01	(5.98)	0.03	30,638.00	0.04
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
Extent of shareholding (effective) - in percentage	100%	100%	51%	100%	100%	100%	100%	51%	51%	100%	100%

Notes:

1. Names of subsidiaries which are yet to commence operations - None
2. Names of subsidiaries which have been liquidated or sold during the current reporting year:
   (i) Quippo Oil & Gas Infrastructure Limited (ceased to be Subsidiary w.e.f 31.03.2019) - sold
   (ii) Quippo Energy Limited (ceased to be Subsidiary w.e.f 28.03.2019) - sold
   (iii) Quippo Drilling International Private Limited (ceased to be sub-subsidiary w.e.f 31.03.2019) - sold
3. Formerly known as Srei Asset Reconstruction Private Limited

SREI

FORM AOC-1

Statement pursuant to Section 129(3) of the Companies Act , 2013 related to Associate Companies and Joint Ventures

Part "B": Associates and Joint Ventures

(₹ In lacs)

Name of Associates or Joint Ventures	Sahaj e-Village Limited	IIS International Infrastructure Services GmbH[4]
Relationship	Associate	Associate
1. Latest Balance Sheet date	Mar 31, 2019	Mar 31, 2019
2. Date on which the Associate or Joint Venture was associated or acquired	13.08.2012	21.06.2016
3. Shares of Associate or Joint Ventures held by the company on the period end		
No.	1,07,60,000	NA[3]
Amount of Investment in Associates or Joint Venture	1,076.06	NIL[5]
Extent of Holding (in percentage)	49.47%	49.13%
4. Description of how there is significant influence	Control of 49.47% of Total Share Capital	Control of 49.13% of Total Share Capital
5. Reason why the associate/joint venture is not consolidated	NA	NA
6. Networth attributable to Shareholding as per latest Balance Sheet	(25,172.99)	(1,511.86)
7. Profit/(Loss) for the period		
i. Considered in Consolidation	-	(28.00)
ii. Not Considered in Consolidation	(2,595.46)	(214.44)

1. Names of associates or joint ventures which are yet to commence operations : None
2. **Names of associates or joint ventures which have been liquidated or sold during the period :**

   (i) Attivo Economic Zone (Mumbai) Private Limited (ceased to be Associate w.e.f 29.09.2018) - sold
3. There is no system of issuance of distinctive shares in the country of registration
4. Formerly known as Srei International Infrastructure Services GmbH
5. IIS International Infrastructure Services GmbH4 has filed for liquidation on 17th September, 2018

For and on behalf of the Board of Directors

Hemant Kanoria
Chairman

Shyamalendu Chatterjee
Director

Place: Kolkata
Date: 25th May, 2019

Rakesh Kumar Bhutoria
Chief Executive Officer

Sandeep Lakhotia
Company Secretary

Sandeep Kumar Sultania
Chief Financial Officer

Cautionary Statement

This report contains forward-looking statement, which may be identified by their use of words like ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company’s strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company’s actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.



Srei Infrastructure Finance Limited

CIN : L29219WB1985PLC055352

Registered Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046

srei.com

SREI INFRASTRUCTURE FINANCE LIMITED

CIN: L29219WB1985PLC055352
Registered Office : 'Vishwakarma'
86C, Topsia Road (South), Kolkata - 700 046
Tel No. 033 – 6160 7734, Fax No. 033 – 2285 7542 / 8501
Website : www.srei.com, Email : investor.relations@srei.com

Notice

NOTICE is hereby given that the Thirty - Fourth Annual General Meeting (AGM) of the Members of Srei Infrastructure Finance Limited will be held on **Saturday, July 27, 2019 at 10.30 a.m. at Bhasha Bhavan Auditorium, National Library, Belvedere Road, Alipore, Kolkata 700 027** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt -

   a. The Standalone Financial Statement of the Company for the financial year ended March 31, 2019, and the Report of the Directors and Auditors thereon.

   b. The Consolidated Financial Statement of the Company for the financial year ended March 31, 2019, and the Report of the Auditors thereon.

2. To confirm Interim Dividend declared and in this regard, pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** Interim Dividend at the rate of Rs. 0.50 (Fifty paisa only) per equity share of Rs. 10/- (Rupees Ten) each declared by the Board of Directors of the Company on March 08, 2019, be and is hereby confirmed as Final Dividend for the financial year ended March 31, 2019."

3. To elect a Director in place of Mr. Sunil Kanoria (holding DIN: 00421564) who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 61(1)(e) and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) and enabling provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to cancel 4,72,827 (Four Lakh Seventy Two Thousand Eight Hundred Twenty Seven) Equity Shares of Rs. 10/- (Ten) each which were issued out of the Authorized Share Capital of the Company and which have neither been taken nor agreed to be taken nor have been reissued to any person and the amount of paid up share capital be and is hereby diminished by an amount of Rs. 15,14,384/- (Rupees Fifteen Lakh Fourteen Thousand Three Hundred Eighty Four only) being the value of the forfeited 4,72,827 (Four Lakh Seventy Two Thousand Eight Hundred Twenty Seven) Equity Shares so cancelled;

   RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its sole discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to delegate to the extent permitted by law, all or any of the powers herein conferred to any Director(s) or any Key Managerial Personnel (KMPs) of the Company."

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (Act), if any and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, applicable provisions of the Securities and Exchange Board

of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any amendment, statutory modification(s) or re-enactment thereof for the time being in force), Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Articles of Association of the Company, recommendation of Nomination and Remuneration Committee and the approval of the Board of Directors, consent of the Company be and is hereby accorded to the appointment of Mr. Hemant Kanoria (holding DIN: 00193015) as the Chairman of the Company, for a period of 5 (five) years with effect from April 01, 2019 that is to say, from April 01, 2019 to March 31, 2024, liable to retire by rotation, on terms and conditions as recommended by the Nomination and Remuneration Committee based on the Srei Nomination and Remuneration Policy and other terms and conditions as set out in the draft agreement ("Agreement") to be entered into between the Company and Mr. Hemant Kanoria, a copy of which is placed before the meeting and the terms of which are set out briefly herein below:

a) Salary:

In the scale of Rs. 15,00,000/- to Rs. 30,00,000/- (Rupees Fifteen Lakhs only to Rupees Thirty Lakhs only) per month with authority to the Board to fix the salary within the above mentioned scale from time to time after taking into account the recommendations of Nomination and Remuneration Committee within a ceiling of Rs. 30,00,000/- (Rupees Thirty Lakhs only) per month. The annual increments will be merit-based and take into account the Company's performance. The present salary of Mr. Kanoria is fixed at Rs. 15,00,000/- (Rupees Fifteen Lakhs only) per month w.e.f April 01, 2019.

b) Commission:

1% (One per cent) of the net profits of the Company (as per Audited Profit and Loss Account) per year or such other amount as may be decided by the Board in its absolute discretion upon recommendation of the Nomination and Remuneration Committee, for each financial year (or part thereof), subject, however, that the total remuneration (i.e. Salary, Commission and Perquisites) in any one financial year shall not exceed the limits prescribed from time to time under Section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may for the time being be in force.

c) Ex-gratia:

Ex-gratia payment of 1 (One) month's salary per annum or such other higher sum as may be decided by the Board of the Company.

d) Perquisites:

In addition to the aforesaid, the Chairman shall be entitled to the following perquisites:

i) Housing:

1. Fully furnished residential accommodation or house rent allowance at the rate of 60% (sixty per cent) of salary or such other suitable amount as may be decided by the Board of Directors.
2. Expenses pertaining to gas, electricity, water and other utilities will be borne / reimbursed by the Company.
3. Company shall provide such furniture and furnishings as may be required by the Chairman.

ii) Medical Reimbursement:

Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for self and family.

iii) Leave Travel Concession:

Reimbursement of actual traveling expenses, for proceeding on leave, once in a year in respect of self and family.

iv) Club Fees:

Reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees.

v) Personal Accident Insurance:

Payment of premium in respect of one Personal Accident Insurance Policy.

vi) Contribution to Provident Fund, Superannuation Fund and Annuity Fund:

The Company's contribution to Provident Fund or Superannuation or Annuity Fund as per the rules of the Company, applicable for senior executives of the Company or such higher contribution as may be decided by the Board.

vii) Gratuity:

Entitled for Gratuity as per the rules of the Company.

viii) Leave:

Entitled for leave with full pay or encashment thereof as per the rules of the Company.

ix) Entertainment Expenses:

Entitled for reimbursement of entertainment and all other expenses incurred for the business of the Company as per the rules of the Company.

x) Other Perquisites:

Subject to overall ceiling on remuneration prescribed in Schedule V to the Companies Act, 2013, the Chairman may be given any other allowances, performance incentives, benefits and perquisites as the Board of Directors may from time to time decide.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

Company's contribution to Provident Fund or Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

e) Amenities:

i) Conveyance Facilities:

The Company shall provide suitable conveyance facilities to the Chairman as may be required by him.

ii) Telephone, telefax and other communication facilities:

The Company shall provide telephone, telefax and other communication facilities at the Chairman's residence.

f) OVERALL REMUNERATION

The aggregate of salary, commission and perquisites payable to Mr. Hemant Kanoria, Chairman, in any Financial Year shall not exceed the limits from time to time under Section 196 and 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act as may be for the time being in force.

Since Mr. Hemant Kanoria is also a Managerial Personnel of Srei Equipment Finance Limited, a wholly owned subsidiary company, the total remuneration to be drawn from Srei Equipment Finance Limited and the Company shall not exceed the higher maximum limit admissible from any one of the Companies of which Mr. Kanoria is a managerial personnel.

g) MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Chairman, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Part II of Schedule V to the Companies Act, 2013.

h) Subject to the superintendence, control and directions of the Board, the Chairman shall be in charge of the management of the affairs of the Company and he shall perform such duties and functions as would be commensurate with his position as Chairman of the Company and as may be delegated to him from time to time by the Board of Directors and Shareholders, except such matters which are specifically to be done by the Board of Directors under the Articles of Association of the Company or under the Companies Act, 2013 and the rules framed thereunder.

i) The Chairman shall not be paid any sitting fee for attending meetings of the Board of Directors or Committee(s) thereof.

j) Subject to the provisions of Companies Act, 2013, the Chairman shall while he continues to hold office of the Chairman be subject to retirement by rotation but he shall ipso facto immediately cease to be Chairman if he ceases to hold office of Director for any cause. However, the Chairman re-appointed as a Director of the Company immediately on retirement by rotation, shall continue to hold his office of Chairman and such appointment as such Director shall not be deemed to constitute a break in his appointment / service as Chairman of the Company.

k) The Company will enter into agreement with Mr. Hemant Kanoria, which will contain, inter alia, the above terms and conditions.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any authorized Committee of the Board) be and is hereby authorized to alter and vary the terms and conditions of appointment, at any time(s) and from time to time and in such manner as the Board may deem fit subject to the overall limits of remuneration specified by this resolution and applicable laws;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its sole

discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to delegate to the extent permitted by law, all or any of the powers herein conferred to any Director(s) or any Key Managerial Personnel (KMPs) of the Company."

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act, Articles of Association of the Company, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment for the time being in force), Srei Nomination and Remuneration Policy, Policy on Board Diversity and Policy on "Fit and Proper" criteria for Directors, Mr. Balaji Viswanathan Swaminathan (holding DIN: 01794148), who was appointed as an Additional Director (Category – Non Executive Non Independent) of the Company with effect from September 05, 2018 and who holds office upto the date of this Annual General Meeting and in respect of whom Notice has been received from a Member of the Company under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Non Executive Non Independent Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Balaji Viswanathan Swaminathan be paid such fees, remuneration and profit linked commission as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act, Articles of Association of the Company, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment for the time being in force), Srei Nomination and Remuneration Policy, Policy on Board Diversity and Policy on "Fit and Proper" criteria for Directors, Dr. Tamali Sengupta (holding DIN: 00358658), who was appointed as an Additional Director (Category - Independent) of the Company with effect from February 04, 2019 and who holds office upto the date of this Annual General Meeting and in respect of whom Notice has been received from a Member of the Company under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (five) consecutive years from the date of the Thirty-Fourth Annual General Meeting of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr. Tamali Sengupta be paid such fees, remuneration and profit linked commission as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

8. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Shyamalendu Chatterjee (holding DIN: 00048249), whose present term of office as an Independent Director expires on August 01, 2019 and in respect of whom Notice has been received from a Member of the Company under Section 160 of the Act proposing his re-appointment as an Independent Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years from the date of the Thirty-Fourth Annual General Meeting of the Company, notwithstanding that he shall attain the age of 75 (seventy five) years during the aforesaid term;

   RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Shyamalendu Chatterjee be paid such fees, remuneration and profit linked commission as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

9. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Srinivasachari Rajagopal (holding DIN: 00022609), whose present term of office as an Independent Director expires on August 01, 2019 and in respect of whom Notice has been received from a Member of the Company under Section 160 of the Act proposing his re-appointment as an Independent Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years from the date of the Thirty-Fourth Annual General Meeting of the Company, notwithstanding that he has attained the age of 75 (seventy five) years;

   RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Srinivasachari Rajagopal be paid such fees, remuneration and profit linked commission as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

10. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

    "**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr. Punita Kumar Sinha (holding DIN: 05229262), whose present term of office as an Independent Director expires on August 01, 2019 and in respect of whom Notice has been received from a Member of the Company under Section 160 of the Act proposing her re-appointment as an Independent Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years from the

date of the Thirty-Fourth Annual General Meeting of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr. Punita Kumar Sinha be paid such fees, remuneration and profit linked commission as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

11. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such other permissions, sanctions and approvals as may be necessary, consent, authority and approval of the Company be and is hereby accorded for payment of commission to the Directors of the Company (other than the Directors who are in the wholetime employment of the Company) annually for each of the 5 (five) financial years commencing from financial year 2019-20, an amount not exceeding 1% (one per cent) of the net profits of the Company as provided under Section 197 of the Act or any amendment or modification thereof and computed in the manner referred to in Section 198 of the Act or any amendment or modification thereof, to be divided amongst the Directors aforesaid in such amounts or proportions and in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination equally;

RESOLVED FURTHER THAT the payment of the sum in the above manner shall be in addition to the sitting fee payable to such Directors for each meeting of the Board and/or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board/ or Committee meetings;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as it may in its sole discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to delegate to the extent permitted by law, all or any of the powers herein conferred to any Director(s) or any Key Managerial Personnel (KMPs) of the Company."

NOTES:

1. **PROXIES: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   Pursuant to the provisions of Section 105 of the Companies Act, 2013 and Rules framed thereunder, a person can act as Proxy on behalf of Members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. However, a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member. The Instrument appointing the Proxy, in order to be valid and effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the meeting. No Proxy Form shall be considered as valid on its receipt after 10.30 a.m. on July 25, 2019. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution/authority, as applicable. Every Member entitled to vote at the Meeting can inspect the proxies lodged with the Company, at any time during the business hours of the Company, during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the Meeting and ending on the conclusion of the Meeting. However, a prior notice of not less than 3 (three) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.

   The Proxy-holder shall prove his identity at the time of attending the Meeting. Proxies are requested to carry photo identification to the venue of the Meeting. Further, when a Member appoints a Proxy and both the Member and Proxy attend the meeting, the Proxy stands automatically revoked.

   In case of joint holders attending the meeting, only such joint holder whose name appears first in the Register of Members will be entitled to vote.

2. **Statement pursuant to Section 102:** The Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at the Meeting is annexed hereto and forms part of the Notice.

3. **Communication:** Electronic copy of the Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of Electronic Voting along with Attendance Slip and Proxy Form is being sent to all concerned including the Members whose email IDs are registered with the Company's Registrar and Share Transfer Agents/Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email IDs, physical copies of the Notice of the AGM of the Company inter alia indicating the process and manner of Electronic Voting along with Attendance Slip and Proxy Form is being sent through permitted mode.

4. **Registrar & Share Transfer Agents and Depository Participant:** Members holding Shares in physical mode are requested to intimate changes in their address to Karvy Fintech Private Limited, Registrar and Share Transfer Agents (RTA) of the Company located at Karvy Selenium, Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Members holding Shares in electronic mode are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

5. **Nomination Facility:** Members holding shares in the physical form and desirous of making/changing Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrar and Share Transfer Agents (RTA), Karvy Fintech Private Limited, who will provide the form on request. In respect

of shares held in electronic/demat form, the Members may please contact their respective depository participant.

6. **Unclaimed Dividend:** Dividends for the financial year ended March 31, 2012, which remain unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Central Government. Members who have not encashed the dividend warrant(s), so far for the financial year ended March 31, 2012, or any subsequent financial years are requested to make their claim to the Company at its Registered Office. It may please be noted that once the unclaimed dividend is transferred to the said Fund, as above, no claims shall lie against the Company. However, claim can be made from the Fund in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017. Further, pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the details of unpaid and unclaimed amounts lying with the Company as on July 21, 2018 (date of the last Annual General Meeting) have been uploaded on the website of the Company www.srei.com and also on the website of the Ministry of Corporate Affairs (MCA).

7. **Transfer of Unclaimed Shares:** The Company has sent Reminder letters on June 02, 2018, to the concerned shareholders relating to transfer of underlying shares, in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more, to the Investor Education and Protection Fund (IEPF) in terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

   A Newspaper Notice was also published by the Company in Business Standard and Aajkaal on June 04, 2018 containing requisite details as required under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

   Further, 1,75,395 equity shares held by 1,115 shareholders in respect of which dividend has remained unpaid/unclaimed for 7 (seven) consecutive years or more, have been transferred during the year to the Investor Education and Protection Fund (IEPF) of the Central Government within stipulated timelines. Further, the details of unclaimed shares transferred to IEPF have been uploaded on the website of the Company www.srei.com. 3,27,002 equity shares of the Company have been transferred to IEPF till date.

   Further, shares in respect of whom dividend will remain unclaimed progressively for 7 (seven) consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, after sending an intimation of such proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website www.srei.com.

8. **Go Green Initiative:** The Company is sending periodic communications including Notices for General Meetings, Financial Statements etc. through email to Members whose email IDs are registered with the Company. While going through the Register of Members, it is noticed that there are Members who have not registered their email IDs with the Company. Consequently, the Company is unable to send communications to them electronically. In compliance with provisions of Rule 18 of the Companies (Management and Administration) Rules, 2014 and applicable provisions of the Companies Act, 2013, Members holding Shares in physical form are requested to register their email IDs with the Company's Registrar and Share Transfer Agents (RTA) i.e. Karvy Fintech Private Limited and Members holding Shares in electronic/demat mode are requested to register their email IDs with their respective Depository Participants (DPs). Members whose email IDs have undergone any change or whose IDs require any correction, may kindly update the same with the RTA or the DPs, as stated above.

   Copies of the Annual Report will not be distributed at the Meeting. Members are requested to carry their copies of the Annual Report to the Meeting. Further, please note that Duplicate Attendance Slips shall not be issued.

9. **Dematerialisation of Shareholding:** The Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018, notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, whereby

amending Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that except in the case of transmission or transposition of securities, requests for the transfer of listed securities shall not be processed unless the securities are held in the dematerialized form with a depository w.e.f. December 05, 2018. SEBI thereafter extended the deadline and the aforesaid requirement of transfer of securities only in demat form has come into force from April 01, 2019.

Accordingly, Members holding share in physical form are requested to dematerialise their shareholding at the earliest to avoid inconvenience.

10. **Consolidation of Multiple Folios:** Members who hold Shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer Agents, Karvy Fintech Private Limited, enclosing their Share Certificates to enable the Company to consolidate their holdings into a single folio.

11. **New Certificates:** Members who have not yet surrendered their old Share Certificate(s) for exchange with new Certificate(s) bearing hologram, logo and barcoding are requested to surrender the same to the Company's Registrar and Share Transfer Agents, Karvy Fintech Private Limited.

12. **Mandatory PAN Submission:** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, Karvy Fintech Private Limited.

13. **Inspection by Members:** All Statutory Registers and other relevant documents referred to in the Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, shall be available for inspection by the Members at the Registered Office and copies thereof shall also be available for inspection at the Corporate Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and also at the Meeting.

    The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

    Members desirous of obtaining any relevant information with regard to the accounts of the Company at the Meeting are requested to send their requests to the Company at least 7 (seven) days before the date of the Meeting, so as to enable the Company to keep the information ready.

14. **Subsidiary Accounts:** In accordance with the provisions of Section 136 of the Companies Act, 2013, the Company will provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the Company on making requisition to the Company Secretary at the registered office of the Company or email at investor.relations@srei.com.

    A Statement containing the salient features of the financial statement of subsidiaries forms part of the Annual Report of the Company. The audited financial statements will also be available for inspection at the Registered Office of the Company and the concerned subsidiary companies during business hours on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting. Further, the documents shall also be available on the website of the Company www.srei.com.

15. **Voting through electronic means (Electronic Voting)**

    I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited (Karvy) on all resolutions set

forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants(s)]:

i. Visit the-voting website of Karvy by opening your web browser and typing the following URL either on a desktop computer / laptop or on a mobile or scan the QR code using your smart phone:

https://evoting.karvy.com	

ii. Once the homepage of the-voting system is launched, enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Srei Infrastructure Finance Limited'.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email goenkamohan@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Srei Infrastructure Finance Limited 34th AGM".

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants(s)]:

i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again at the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

Other Instructions:

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. S. V. Raju, Deputy General Manager (Unit: Srei Infrastructure Finance Limited) of Karvy Fintech Private Limited, Karvy Selenium, Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 or at einward.ris@karvy.com or phone no. 040 – 6716 2222 or call Karvy's toll free No. 1800-3454-001 for any further clarifications.

b. Members are requested to update their mobile numbers and email IDs in the user profile details of the folio, which may be used by the Company for sending future communication(s) to them.

c. The remote e-voting period commences on Tuesday, July 23, 2019 (9.00 a.m. IST) and ends on Friday, July 26, 2019 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, July 20, 2019 may cast their votes electronically through remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Saturday, July 20, 2019.

e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Saturday, July 20, 2019, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

Example for CDSL:
MYEPWD <SPACE> 1402345612345678

Example for Physical:
MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the Member is not registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call Karvy's toll free number 1800-3454-001.

iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

16. **Web Check-in / Attendance Registration:** Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web Check-in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

    Procedure of Web Check-in is as under:

    a. Log on to https://karisma.karvy.com and click on "Web Check-in for General Meetings (AGM/EGM/CCM)".

    b. Select the name of the Company: Srei Infrastructure Finance Limited.

    c. Pass through the security credentials viz., DP ID/Client ID/Folio no. entry, PAN No & "CAPTCHA" as directed by the system and click on the submission button.

    d. The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.

    e. The attendance slip in PDF format will appear on the screen. Select the "PRINT" option for direct printing or download and save for the printing.

    f. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.

    g. After registration, a copy will be returned to the Member.

    h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e., Tuesday, July 23, 2019 (9.00 a.m. IST) and ends on Friday, July 26, 2019 (5.00 p.m. IST).

    i. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

17. **Scrutinizer:** The Company has appointed Mr. Mohan Ram Goenka, Practising Company Secretary, Kolkata (FCS No. 4515, CP No. 2551) as Scrutinizer for conducting the electronic voting process (both remote e-voting and voting at the AGM through Insta Poll) in a fair and transparent manner.

18. **Declaration of Results:** The Scrutinizer shall immediately after the conclusion of voting at the Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least 2 (two) witnesses who are not in the employment of the Company and within a period not exceeding 3 (three) days from the conclusion of the meeting make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.

    The Results shall be declared either by the Chairman or by any Director authorized by the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

    Further, in accordance with Regulation 44(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall submit to the Stock Exchange, details of the Voting results in the prescribed format within 48 (forty-eight) hours of conclusion of the Annual General Meeting (AGM). The results shall also be uploaded on the NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre.

    Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website www.srei.com and on the website of Karvy https://evoting.karvy.com and communicated to BSE Limited and National Stock Exchange of India Limited, where the Equity Shares of the Company are listed for placing the same on their website. The results shall also be placed on the notice board of the Company at its Registered Office as well as Corporate Office.

19. **Distribution of Gifts:** In conformity with regulatory requirements, the Company will NOT be distributing any gift, gift coupons or cash in lieu of gifts at the AGM or in connection therewith.

20. **Route Map:** A Route Map showing directions to reach to the venue of the 34th AGM of the Company is given at the end of this Notice as per the requirement of the Secretarial Standard - 2 on "General Meetings" issued by The Institute of Company Secretaries of India (ICSI). The prominent landmark near the Venue is Alipore Zoo.

21. **Statutory Auditors:** The Company's Statutory Auditors, Haribhakti & Co. LLP, Chartered Accountants having Registration No. 103523W / W100048 allotted by The Institute of Chartered Accountants of India (ICAI) were appointed as Statutory Auditors of the Company for a period of 5 (five) consecutive years at the Annual General Meeting (AGM) of the Members held on August 01, 2015. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on August 01, 2015.

    Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 07, 2018, the requirement of seeking ratification of the Members for the appointment of Statutory Auditors has been withdrawn from the Statute.

    In view of the above, ratification of the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors of the Company. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

22. **Information of Directors pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings:** At the ensuing Meeting of the Company, Mr. Sunil Kanoria (holding DIN: 00421564), Vice Chairman, retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible, seeks re-appointment.

    Further, pursuant to the provisions of Section 152, 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Hemant Kanoria (holding DIN: 00193015) is being proposed to be appointed as the Chairman of the Company in wholetime capacity w.e.f. April 01, 2019.

    Further, pursuant to the provisions of Section 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013, Dr. Tamali Sengupta (holding DIN: 00358658), is being proposed to be appointed as an Independent Director of the Company. Also, pursuant to the provisions of Section 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Balaji Viswanathan Swaminathan (holding DIN: 01794148) is being proposed to be appointed as a Non Executive Non Independent Director of the Company.

    Further, pursuant to the provisions of Section 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Shyamalendu Chatterjee (holding DIN: 00048249), Mr. S. Rajagopal (holding DIN: 00022609) and Dr. Punita Kumar Sinha (holding DIN: 05229262) are being proposed to be re-appointed as Independent Directors of the Company for a second term of 5 (five) consecutive years.

    Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, the particulars of the aforesaid Directors seeking appointment/ re-appointment at the AGM are given below:

Name of Director	Mr. Sunil Kanoria (DIN: 00421564)	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Balaji Viswanathan Swaminathan (DIN: 01794148)	Dr. Tamali Sengupta (DIN: 00358658)	Mr. Shyamalendu Chatterjee (DIN: 00048249)	Mr. S. Rajagopal (DIN: 00022609)	Dr. Punita Kumar Sinha (DIN: 05229262)
Date of Birth	04.05.1965 (54 Years)	05.08.1962 (56 Years)	19.03.1965 (54 years)	27.09.1962 (56 years)	24.12.1946 (72 years)	10.03.1940 (79 years)	13.05.1962 (57 Years)
Date of Appointment	05.07.1989 (Vice Chairman w.e.f. 20.09.2008)	30.10.1990 (Appointed as Managing Director w.e.f. 07.05.1994 and as Chairman w.e.f. 14.05.2008). He has been re-appointed as Chairman and Managing Director for a period of 5 years w.e.f 01.04.2015 on terms and conditions as mentioned in the Agreement dated 01.08.2015. He has been appointed as Chairman for a period of 5 (five) years w.e.f 01.04.2019.	05.09.2018 (Additional Director) (Category: Non Executive)	04.02.2019 (Additional Director) (Category: Independent)	29.04.2009 (initial date of appointment) He has been appointed as Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. August 02, 2014 i.e. the date of the 30th AGM of the Company.	25.01.2003 (initial date of appointment) He has been appointed as Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. August 02, 2014 i.e. the date of the 30th AGM of the Company.	20.05.2013 (initial date of appointment) She has been appointed as Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. August 02, 2014 i.e. the date of the 30th AGM of the Company.
Expertise in specific functional areas	He has more than 29 years of experience in the financial services industry. He is the immediate past President of The Associated Chambers of Commerce & Industry of India, nominated Council member of The Institute of Chartered Accountants of India and the former Governing body member of the Construction Industry Development Council (CIDC). He is also presently the Honorary Consul of Spain in Kolkata, with jurisdiction over the State of West Bengal.	He has over 39 years of experience in industry, trade and financial services. He is currently serving as Board Member in the Indian Institute of Information Technology, Guwahati, Neotia University and New Delhi Institute of Management. He has held several prestigious positions like President of Calcutta Chamber of Commerce, Chairman of the FICCI National Committee on Infrastructure and served on the Board of Governors of Indian Institute of Management, Calcutta (IIM-C) besides being a past Member of the Regional Direct Taxes Advisory Committee, Government of India.	He has over three decades of experience in various leadership roles in the domain of finance and consultancy. Having played a key role in establishing global consultancy firm KPMG's presence in India, he was actively involved in the listing of various Indian companies on US stock exchanges. As the CFO of ICICI Bank, he had been instrumental in overseeing the merger of ICICI Bank with ICICI Ltd. As head of the corporate banking of ICICI Bank, he spearheaded the bank's transformation from a project finance institution to a commercial bank. His subsequent stints at Standard Chartered Bank and Bank of America saw him getting active in corporate and investment banking which resulted in expanding the client base of these institutions across geographies in South and South East Asia.	She has over 32 years of experience in the legal field and is a specialist in transnational legal transactions in media, real estate development, insurance and infrastructure. She is a widely published author and is a Fellow of the Centre of International Legal Studies at Salzburg. She is the Principal of T. Sen Gupta & Associates, a corporate law practice based in New Delhi, which provides advice on corporate law, entertainment law, intellectual property, insurance, project finance, corporate governance, and privatization. She also has extensive experience in international joint-ventures, collaboration and licensing agreements, mergers and acquisitions. She has represented Indian companies in joint-ventures overseas and in relation to joint-ventures in India with multinational corporations.	He has over 45 years of experience in Commercial and Investment Banking with State Bank of India and Axis Bank Limited (formerly UTI Bank Limited); former Executive Director of Axis Bank Limited (formerly UTI Bank Limited)	He has over 41 years of experience in the Banking industry. He is the past Chairman & Managing Director of Bank of India and Indian Bank and has immensely contributed to the Banking and Financial Sector. Having been on the Board of various Corporates and Development Funds in India and abroad, he has in-depth knowledge of Commerce, Industry, Finance and Insurance. He is also an Advocate with specialisation in company matters. He also holds Master's Degree in Economics, Degrees in Commerce and Law besides professional qualification from the Indian Institute of Banking and Finance. He is also closely associated with Academics. He was a member of the governing bodies of the Madras School of Economics and Court of Banaras Hindu University.	She has focused on investment management and financial markets during her 27 years plus career. She spearheaded some of the first foreign investments into the Indian equity markets in the early 1990s. Currently, she is the Founder and Managing Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm focused on Asia. She is also a Senior Advisor and serves as an Independent Director for several companies. She is also on the Board of Governors of CFA Institute, USA. Prior to founding Pacific Paradigm Advisors, she was a Senior Managing Director of Blackstone and the Chief Investment Officer of Blackstone Asia Advisors. She is a Doctorate from the Wharton School of University of Pennsylvania.

Name of Director	Mr. Sunil Kanoria (DIN: 00421564)	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Balaji Viswanathan Swaminathan (DIN: 01794148)	Dr. Tamali Sengupta (DIN: 00358658)	Mr. Shyamalendu Chatterjee (DIN: 00048249)	Mr. S. Rajagopal (DIN: 00022609)	Dr. Punita Kumar Sinha (DIN: 05229262)
			As President - International at Westpac Banking Corp. Asia, he has overseen the Bank's footprint expansion across Asia and global markets like Europe and America. In addition, he has been advising different companies across multiple sectors in various capacities. He has also previously served on various boards including JSW Steel Ltd., McLeod Russel India Ltd., Firstsource Solutions Limited etc. He is a Board Mentor to Critical Eye, a US based organization.	She has extensive experience in the structure of projects implemented under Project Finance and on foreign participation in the privatization of infrastructure. Sectors worked on include roadways, railways, ports, power and township development, both in India and overseas. She has wide experience in negotiations and drafting documents for privatization projects and has dealt with various forms of contractual agreements for project finance, including inter alia, Concession agreements (BOT, BOOT, BOLT) as well as EPC & O&M Contracts.			
Qualification	FCA	B. Com. (Hons.)	FCA and Cost & Works Accountant	Doctor of the Science of Law, J.S.D. Degree, BA (Hons. in Economics), LLB	B.A (Hons.) (Arts)	M.A., LLB, CAIIB, Diploma in Industrial Finance & Co-operation of Indian Institute of Bankers	B.Tech, Doctorate in Finance and Chartered Financial Analyst (CFA)
List of outside Directorships held	▪ Srei Equipment Finance Limited ▪ Grupo Empresarial San Jose, S.A, Spain ▪ The Council of EU Chambers of Commerce in India	▪ Srei Equipment Finance Limited ▪ India Power Corporation Limited ▪ Austrian Anadi Bank AG, Austria ▪ Dual-Vet Skill Development Forum	▪ Spice Gardens Spa & Eco Tourism Private Limited ▪ Vibgyor Realty & Resort Private Limited ▪ S Cube Capital Pte Ltd.	▪ Himachal Futuristic Communications Limited ▪ Home Credit India Finance Private Limited ▪ TSG Legal Consulting Private Limited ▪ Access India Advisors Limited ▪ Aria Hotels and Consultancy Services Private Limited ▪ SPE Films India Private Limited	▪ Srei Capital Markets Limited ▪ Sahaj Retail Limited ▪ Emami Paper Mills Limited	▪ GMR Energy Limited ▪ National Trust Housing Finance Limited ▪ Wisdomleaf Technologies Private Limited ▪ GMR Kamalanga Energy Limited ▪ GMR Chhattisgarh Energy Limited ▪ Careercubical Technologies Private Limited ▪ GMR Infrastructure Limited ▪ GMR Highways Limited	▪ JSW Steel Limited ▪ Rallis India Limited ▪ Sobha Limited ▪ Mahindra Intertrade Limited ▪ Bharat Financial Inclusion Limited ▪ Classic Legends Private Limited ▪ Metahelix Life Sciences Limited ▪ The Asia Opportunities Offshore Fund, Cayman Islands ▪ The Asia Opportunities Offshore Master Fund, Cayman Islands ▪ Infosys Limited ▪ Fino Payments Bank Limited ▪ Embassy Office Parks Management Services Private Limited ▪ CFA Institute, United States of America

Name of Director	Mr. Sunil Kanoria (DIN: 00421564)	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Balaji Viswanathan Swaminathan (DIN: 01794148)	Dr. Tamali Sengupta (DIN: 00358658)	Mr. Shyamalendu Chatterjee (DIN: 00048249)	Mr. S. Rajagopal (DIN: 00022609)	Dr. Punita Kumar Sinha (DIN: 05229262)
Chairman/Member of the Committees of Board of Directors of the Company	Member - Audit Committee Member - Stakeholders Relationship Committee Member - Corporate Social Responsibility Committee Member - Committee of Directors Member - Asset Liability Management Committee Member - Credit Committee Member - Investment Committee Member - IT Strategy Committee Member - Governance Committee	Member - Stakeholders Relationship Committee Chairman - Corporate Social Responsibility Committee Chairman - Committee of Directors Member - Asset Liability Management Committee Chairman - Credit Committee Chairman - Investment Committee	Member - Risk Committee Member - Asset Liability Management Committee Member - Credit Committee Member - Investment Committee Member - Governance Committee Member - Nomination and Remuneration Committee	NIL	Chairman - Audit Committee Chairman - Nomination and Remuneration Committee Chairman - Stakeholders Relationship Committee Member - Corporate Social Responsibility Committee Member - Committee of Directors Chairman - Asset Liability Management Committee Member - Credit Committee Chairman - Business Responsibility Committee Chairman - IT Strategy Committee Member - Governance Committee	Chairman - Risk Committee Member - Audit Committee Member - Nomination and Remuneration Committee	Member - Investment Committee
Chairman/Member of the Committees of Board of Directors of other Indian Public Limited Companies in which he/she is a Director – a) Audit Committee	1 (Chairman - NIL) Srei Equipment Finance Limited	NIL	NIL	NIL	2 (Chairman - 1) Sahaj Retail Limited (Chairman) and Emami Paper Mills Limited	6 (Chairman - 3) GMR Energy Limited (Chairman), National Trust Housing Finance Limited, GMR Kamalanga Energy Limited (Chairman), GMR Chhattisgarh Energy Limited (Chairman), GMR Infrastructure Limited and GMR Highways Limited	5 (Chairman – 1) Mahindra Intertrade Limited, Metahelix Life Sciences Limited (Chairman), Fino Payments Bank Limited, Infosys Limited, and Classic Legends Private Limited (Deemed Public Company)
b) Stakeholders' Relationship Committee	1 (Chairman - NIL) Srei Equipment Finance Limited	(Chairman - 1) India Power Corporation Limited (Chairman)	NIL	NIL	NIL	NIL	4 (Chairman - 1) JSW Steel Limited, Rallis India Ltd. (Chairman), Fino Payments Bank Limited and Infosys Limited
Shareholding in the Company	18,02,714 Equity shares	3,80,000 Equity shares	NIL	NIL	NIL	NIL	NIL
Relationship with other Directors, Managers and KMPs	Mr. Hemant Kanoria (Brother)	Mr. Sunil Kanoria (Brother)	-	-	-	-	-

Name of Director	Mr. Sunil Kanoria (DIN: 00421564)	Mr. Hemant Kanoria (DIN: 00193015)	Mr. Balaji Viswanathan Swaminathan (DIN: 01794148)	Dr. Tamali Sengupta (DIN: 00358658)	Mr. Shyamalendu Chatterjee (DIN: 00048249)	Mr. S. Rajagopal (DIN: 00022609)	Dr. Punita Kumar Sinha (DIN: 05229262)
No. of Board Meetings attended during Financial Year 2018-19 [out of 6 (Six) held]	4 (Four)	6 (Six)	3 (Three) [4 (Four) Board Meetings were held during his tenure]	1 (One) [1 (One) Board Meeting was held during her tenure]	6 (Six)	6 (Six)	6 (Six)
Terms and conditions of Appointment or Re-appointment	Liable to retire by rotation	In accordance with the Agreement between Mr. Hemant Kanoria and the Company. The terms and conditions are also stated in Resolution No. 5 of the Notice.	Liable to retire by rotation	Not liable to retire by rotation	Not liable to retire by rotation	Not liable to retire by rotation	Not liable to retire by rotation
Details of Remuneration (Salary, Sitting fees, Commission) ought to be paid and the Remuneration last drawn							
FY 2017-18 (Rs.)	23,10,000/-	3,61,60,000/-	-	2,25,000/-	24,90,000/-	18,10,000/-	20,50,000/-
FY 2018-19 (Rs.)	18,75,000/-	2,46,60,000/-	3,50,000/-	1,25,000/-	21,40,000/-	16,50,000/-	15,50,000/-
	Mr. Kanoria shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and annual commission on net profits as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time.	The Remuneration to be paid to Mr. Kanoria shall be in accordance with the Agreement between Mr. Hemant Kanoria and the Company. The terms and conditions are also stated in Resolution No. 5 of the Notice.	Mr. Swaminathan shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and annual commission on net profits as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time.	Dr. Sengupta shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and annual commission on net profits as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time.	Mr. Chatterjee shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and annual commission on net profits as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time.	Mr. Rajagopal shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and annual commission on net profits as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time.	Dr. Sinha shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and annual commission on net profits as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time.

By Order of the Board of Directors
For **Srei Infrastructure Finance Limited**

Sandeep Kr. Lakhotia

Sandeep Lakhotia
Company Secretary
FCS 7671

Dated : May 25, 2019
Place : Kolkata

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors at its meeting held on March 14, 2000 forfeited 4,72,827 (Four Lakh Seventy Two Thousand Eight Hundred Twenty Seven) Equity shares in the Share Capital of the Company for non-payment of arrears of call monies. While showing details of the Equity Share Capital in the Balance Sheet, the details of forfeited shares also needs to be shown till the time these shares are either re-issued or cancelled. Since the quantity is too small for re-issue on rights basis or preferential basis, the Board has decided not to re-issue the forfeited shares and since the said shares have not been taken or agreed to be taken by any person, the said shares are available for cancellation. Therefore, pursuant to Section 61(1)(e) of the Companies Act, 2013, it is now proposed to cancel the aforesaid 4,72,827 forfeited Equity Shares and diminish the value of the said forfeited shares from the issued, subscribed and paid-up capital of the Company. The Authorized Capital will not be affected by this cancellation and will remain at Rs. 15,00,00,00,000 divided into 1,00,00,00,000 Equity Shares of Rs. 10/- each and 5,00,00,000 Preference Shares of Rs. 100/- each.

Upon passing of the proposed resolution, the amount of Rs. 47,28,270/- (Rupees Forty Seven Lakh Twenty Eight Thousand Two Hundred Seventy only) and number of forfeited shares will stand diminished from the issued and subscribed share capital of the Company and the amount of Rs. 15,14,384/- (Rupees Fifteen Lakh Fourteen Thousand Three Hundred Eighty Four only) paid in respect of the forfeited shares will be transferred from the paid up share capital account to the capital reserve account as per the applicable Accounting Standards and the provisions of the Companies Act, 2013.

Pursuant to the provisions of Section 61(1)(e) of the Companies Act, 2013, approval of the shareholders of the Company is required to cancel the forfeited shares and accordingly, diminish the number and value of the same from the Share Capital.

The Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the Members of the Company.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

Item No. 5

Mr. Hemant Kanoria was initially appointed as Managing Director of the Company for a period of 5 (five) years with effect from May 07, 1994 with the approval of Members of the Company in accordance with applicable provisions of the erstwhile Companies Act, 1956 read with Schedule XIII to the said Act. Thereafter, keeping in view the best interests of the Company he was appointed and re-appointed from time to time as mentioned below:

Particulars	Approval of Members
Re-appointed as Managing Director for 5 (five) years w.e.f. May 07, 1999	September 26, 1998
Re-appointed as Vice Chairman and Managing Director for a period of 3 (three) years w.e.f. May 07, 2004	August 28, 2004
Re-appointed as Vice Chairman & Managing Director for a period of 3 (three) years w.e.f. May 07, 2007	September 25, 2007
Appointed as the Chairman of the Board of Directors of the Company w.e.f. May 14, 2008	
Re-appointed as Chairman & Managing Director of the Company for a period of 5 (five) years w.e.f. April 01, 2010	August 09, 2010
Re-appointed as Chairman & Managing Director of the Company for a period of 5 (five) years w.e.f. April 01, 2015	August 01, 2015

The current term of office of Mr. Hemant Kanoria as Chairman & Managing Director was due to expire on March 31, 2020. The remuneration paid to Mr. Kanoria during the Financial Year 2018-19 aggregates to Rs. 2,46,60,000/- (Rupees Two Crore Forty Six Lakh Sixty Thousand only) and the details of the same have been furnished in the Corporate Governance Report forming part of the Annual Report of the Company.

During his term, Mr. Kanoria has rendered valuable services as Chairman & Managing Director of the Company. Under his rich experience, competence and his dynamic leadership, the Company has emerged as one of the leading Non-Banking Financial Institution (NBFI) in India and has recorded all round growth and development of the Company.

Hence, considering the dedicated & meritorious services and contributions rendered by Mr. Kanoria towards developing and expanding the business operations of the Company and

to align Mr. Kanoria's role with the vision of the Company, the Board of Directors of the Company has, at their meeting held on February 04, 2019 at the recommendation of Nomination and Remuneration Committee, appointed him as the Chairman of the Company in wholetime capacity, his office being liable to retire by rotation, on remuneration and other terms and conditions mentioned in the resolution for a period of 5 (five) years beginning from April 01, 2019 till March 31, 2024 subject to approval of the Members of the Company and all such statutory approvals as may be required.

Further, the Securities and Exchange Board of India (SEBI) vide the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, stipulates that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if (i) the annual remuneration payable to such executive director exceeds rupees 5 (five) crore or 2.5 (two and half) per cent of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 (five) per cent of the net profits of the listed entity. Although the quantum of remuneration proposed to be paid to Mr. Kanoria is well within the aforesaid limits, it is proposed, as a matter of abundant caution, to seek approval of the Members to the appointment of Mr. Kanoria as a special resolution. Mr. Hemant Kanoria is the Promoter of the Company.

The Board of Directors of the Company considers that the appointment of Mr. Hemant Kanoria as Chairman of the Company in wholetime capacity for the period proposed in the resolution is in the best interests of the Company.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

Pursuant to Section 190 of the Companies Act, 2013, a copy of the draft Agreement proposed to be entered into between the Company and Mr. Hemant Kanoria is available for inspection without any fee by the Members at the Registered Office of the Company on all working days except, Saturday, Sunday and public holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

Mr. Hemant Kanoria may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment and remuneration and Mr. Sunil Kanoria, being a relative (Brother) of Mr. Hemant Kanoria, may also be deemed to be concerned or interested in the proposed Resolution.

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, requisite particulars for Mr. Kanoria are given at Note 22 of this AGM Notice.

None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

Item No. 6

Mr. Balaji Viswanathan Swaminathan is a Bachelor of Commerce from St. Xavier's College. Further, he is a Chartered Accountant, Cost & Works Accountant and an alumnus of Harvard Business School. Mr. Swaminathan's professional career spans three decades in various leadership roles in the domain of finance and consultancy. Having played a key role in establishing global consultancy firm KPMG's presence in India, Mr. Swaminathan was actively involved in the listing of various Indian companies on US stock exchanges. As the CFO of ICICI Bank, Mr. Swaminathan had been instrumental in overseeing the merger of ICICI Bank with ICICI Ltd. As head of the corporate banking of ICICI Bank, he spearheaded the bank's transformation from a project finance institution to a commercial bank. Mr. Swaminathan's subsequent stints at Standard Chartered Bank and Bank of America saw him getting active in corporate and investment banking which resulted in expanding the client base of these institutions across geographies in South and South East Asia. As President - International at Westpac Banking Corp. Asia, Mr. Swaminathan has overseen the Bank's footprint expansion across Asia and global markets like Europe and America. In addition, Mr. Swaminathan has been advising different companies across multiple sectors in various capacities. Mr. Swaminathan has also previously served on various boards including JSW Steel Ltd., McLeod Russel India Ltd., Firstsource Solutions Limited etc. He is a Board Mentor to Critical Eye, a US based organization.

Mr. Swaminathan was appointed as an Additional Director (Category: Non Executive Non Independent) of the Company w.e.f. September 05, 2018, pursuant to the provisions of Section 161 of the Companies Act, 2013 and holds office as such upto the date of this Annual General Meeting. Mr.

Swaminathan is also associated with the Company in the capacity of strategic advisor and is being paid advisory fees by the Company.

The Company has received from Mr. Swaminathan (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013, and (iii) Declaration and Undertaking as well as Deed of Covenant as prescribed under Non-Banking Financial Companies – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The Company has also received notice in writing from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing the candidature of Mr. Swaminathan for appointment as a Non Executive Non Independent Director of the Company.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Swaminathan fulfils the conditions specified in the Companies Act, 2013 & rules made thereunder, for his appointment as a Non Executive Non Independent Director of the Company, liable to retire by rotation. Mr. Swaminathan shall be entitled to sitting fees for attending meetings of the Board and Committees thereof of which he is or will be a Member / Chairman and annual commission on net profits as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time provided that the same is within the overall limits specified under the relevant provisions of applicable laws.

The Board of Directors is of the opinion that the professional expertise and vast experience of Mr. Swaminathan will be of significant value to the Company.

The Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the Members.

Mr. Swaminathan and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, requisite particulars for Mr. Swaminathan are given at Note 22 of this AGM Notice.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

Item No. 7

Dr. Tamali Sengupta has over 32 (thirty two) years of experience in the legal field and is a specialist in transnational legal transactions in media, real estate development, insurance and infrastructure. She is a widely published author and is a Fellow of the Centre of International Legal Studies at Salzburg. She is the Principal of T. Sen Gupta & Associates, a corporate law practice based in New Delhi, which provides advice on corporate law, entertainment law, intellectual property, insurance, project finance, corporate governance, and privatization. Dr. Sengupta also has extensive experience in international joint-ventures, collaboration and licensing agreements, mergers and acquisitions. She has represented Indian companies in joint-ventures overseas and in relation to joint-ventures in India with multinational corporations.

Dr. Sengupta has extensive experience in the structure of projects implemented under Project Finance and on foreign participation in the privatization of infrastructure. Sectors worked on include roadways, railways, ports, power and township development, both in India and overseas. She has wide experience in negotiations and drafting documents for privatization projects and has dealt with various forms of contractual agreements for project finance, including inter alia, Concession agreements (BOT, BOOT, BOLT) as well as EPC & O&M Contracts.

Dr. Sengupta was appointed as an Additional Director (Category: Independent) of the Company w.e.f. February 04, 2019, pursuant to the provisions of Section 161 of the Companies Act, 2013 and holds office as such upto the date of this Annual General Meeting.

Dr. Sengupta had earlier been associated with the Company as an Independent Director during the period from August 01, 2015 till October 26, 2017. Further, Dr. Sengupta's name featured in the list of directors disqualified under Section 164(2)(a) of the Companies Act, 2013, issued by the Registrar of Companies, NCT of New Delhi & Haryana and published

on the website of Ministry of Corporate Affairs in September, 2017, with respect to her directorship in a private limited company which was struck off on account of defaults in filing of financial statements and/or annual returns for a continuous period of 3 (three) years. Accordingly, Dr. Sengupta stepped down from the Board of Directors of the Company w.e.f October 26, 2017, consequent to incurring the aforesaid disqualification. Dr. Sengupta thereafter filed a writ petition before the Hon'ble High Court at Delhi, inter alia, for declaring the publication of her name in the list of disqualified directors as arbitrary and illegal & quashing and setting aside the same to the extent pertaining to her name. The Hon'ble High Court vide order passed on December 20, 2017, provided stay on the list of disqualified directors to the extent pertaining to Dr. Sengupta's name.

Accordingly, in view of the order of the Hon'ble High Court and extensive & rich experience of Dr. Sengupta, and considering the best interests of the Company, it is proposed to appoint her as an Independent Director of the Company for a further period of 5 (five) consecutive years from the date of the Thirty-Fourth Annual General Meeting (AGM) of the Company.

The Company has received from Dr. Sengupta (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013, (iii) a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 & the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iv) Declaration and Undertaking as well as Deed of Covenant as prescribed under Non-Banking Financial Companies – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The Company has also received notice in writing from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing the candidature of Dr. Sengupta for appointment as an Independent Director of the Company.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors of the Company, Dr. Sengupta fulfils the conditions specified in the Companies Act, 2013 & rules made thereunder and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for her appointment as a Non Executive and Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Dr. Sengupta as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office & Corporate Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the AGM and can also be viewed on the website of the Company www.srei.com.

Under the Companies Act, 2013 and the Rules framed thereunder, Independent Directors can only receive sitting fees and profit linked commission as may be approved by the Members. Further, the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, provides that all fees / compensation, if any, paid to Non Executive Directors, including Independent Directors, shall be recommended by the Board of Directors and shall require approval of the Members at General Meeting. Accordingly, approval of the Members is also being sought for the purposes of payment of sitting fees and profit linked commission, which amount may be decided by the Board / Committee of the Company from time to time, subject to the limits prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Board of Directors is of the opinion that the professional expertise and vast experience of Dr. Sengupta will be of significant value to the Company.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

Dr. Sengupta and her relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to her own appointment.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, requisite particulars for Dr. Sengupta are given at Note 22 of this AGM Notice.

None of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are,

in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

Item No. 8

Mr. Shyamalendu Chatterjee (holding DIN: 00048249) was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the erstwhile Listing Agreement with the stock exchanges. He holds office as Independent Director of the Company upto August 01, 2019 ("first term" in line with the explanation to Section 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Chatterjee as an Independent Director for a second tenure of 5 (five) consecutive years from the date of the 34th (Thirty Fourth) Annual General Meeting of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background, experience and contributions made by him during his tenure, the continued association of Mr. Chatterjee would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

Accordingly, it is proposed to re-appoint Mr. Chatterjee as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second tenure of 5 (five) consecutive years from the date of the 34th (Thirty Fourth) Annual General Meeting of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), inter alia, prescribe that an Independent Director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to 5 (five) consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to 2 (two) consecutive terms.

The Company has received from Mr. Chatterjee i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013, (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 & the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iv) Declaration and Undertaking as well as Deed of Covenant as prescribed under Non-Banking Financial Companies – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

In the opinion of the Board, Mr. Chatterjee fulfills the conditions for re-appointment as Independent Director as specified in the Act and the Listing Regulations and is also independent of the management.

The Company has also received notice in writing from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing the candidature of Mr. Chatterjee for re-appointment as an Independent Director of the Company.

Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is also required for continuation of a Non Executive Director beyond the age of 75 (seventy five) years. During the proposed term of re-appointment, Mr. Chatterjee will attain the age of 75 (seventy five) years in December, 2021. This Special Resolution, once passed, shall also be deemed as the approval of the Members under the aforesaid Regulations, for continuation of Mr. Chatterjee as a Non Executive & Independent Director of the Company beyond the age of 75 (seventy five) years.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

Copy of the draft letter of appointment of Mr. Chatterjee as Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company on all

working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the AGM and can also be viewed on the website of the Company www.srei.com.

Mr. Chatterjee and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own re-appointment.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, requisite particulars for Mr. Chatterjee are given at Note 22 of this AGM Notice.

None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

Item No. 9

Mr. Srinivasachari Rajagopal (holding DIN: 00022609) was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the erstwhile Listing Agreement with the stock exchanges. He holds office as Independent Director of the Company upto August 01, 2019 ("first term" in line with the explanation to Section 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Rajagopal as Independent Director for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. the Thirty-Fourth Annual General Meeting (AGM) of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background, experience and contributions made by him during his tenure, the continued association of Mr. Rajagopal would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

Accordingly, it is proposed to re-appoint Mr. Rajagopal as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. the Thirty-Fourth Annual General Meeting (AGM) of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), inter alia, prescribe that an Independent Director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to 5 (five) consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to 2 (two) consecutive terms.

The Company has received from Mr. Rajagopal i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013, (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 & the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iv) Declaration and Undertaking as well as Deed of Covenant as prescribed under Non-Banking Financial Companies – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

In the opinion of the Board, Mr. Rajagopal fulfills the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations and is also independent of the management.

The Company has also received notice in writing from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing the candidature of Mr. Rajagopal for re-appointment as an Independent Director of the Company.

Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

(Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is also required for continuation of a Non Executive Director beyond the age of 75 (seventy five) years. Mr. Rajagopal has already attained the age 75 (seventy five) years. This Special Resolution, once passed, shall also be deemed as the approval of the Members under the aforesaid Regulations, for continuation of Mr. Rajagopal as a Non Executive & Independent Director of the Company beyond the age of 75 (seventy five) years for the aforesaid re-appointment.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

Copy of the draft letter of appointment of Mr. Rajagopal as Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the AGM and can also be viewed on the website of the Company www.srei.com.

Mr. Rajagopal and his relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own re-appointment.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, requisite particulars for Mr. Rajagopal are given at Note 22 of this AGM Notice.

None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

Item No. 10

Dr. Punita Kumar Sinha (holding DIN: 05229262) was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the erstwhile Listing Agreement with the stock exchanges. She holds office as Independent Director of the Company upto August 01, 2019 ("first term" in line with the explanation to Section 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of performance evaluation of Independent Directors, has recommended re-appointment of Dr. Sinha as Independent Director for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. the Thirty-Fourth Annual General Meeting (AGM) of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given her background, experience and contributions made by her during her tenure, the continued association of Dr. Sinha would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director.

Accordingly, it is proposed to re-appoint Dr. Sinha as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. the Thirty-Fourth Annual General Meeting (AGM) of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), inter alia, prescribe that an Independent Director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to 5 (five) consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to 2 (two) consecutive terms.

The Company has received from Dr. Sinha i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013, (iii) a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 & the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iv) Declaration and Undertaking as well as Deed of Covenant as prescribed under Non-Banking Financial Companies – Systemically Important

Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

In the opinion of the Board, Dr. Sinha fulfills the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations and is also independent of the management.

The Company has also received notice in writing from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing the candidature of Dr. Sinha for re-appointment as an Independent Director of the Company.

The Directors, therefore, recommend the Resolution to be passed as a Special Resolution by the Members.

Copy of the draft letter of appointment of Dr. Sinha as Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the AGM and can also be viewed on the website of the Company www.srei.com.

Dr. Sinha and her relatives may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to her own re-appointment.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard – 2 on General Meetings, requisite particulars for Dr. Sinha are given at Note 22 of this AGM Notice.

None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

Item No. 11

The Non Executive Directors extensively help in bringing judgment on the Board of Directors' deliberations especially on issues of strategy, technology, industry, board service and governance, performance, risk management, resources, key appointments and standards of conduct. They participate constructively and actively in the meetings of the Board / Committees of the Board in which they are a member. They apply their independent judgement and effectively deploy their expertise and knowledge in Board/Committee proceedings, while keeping the interest of all the Stakeholders at the fore-front. They have upheld ethical standards of integrity and rectitude, maintained confidentiality and have also abstained from performing any action that would lead to loss of their independence. The Board of Directors of the Company is of the opinion that it is necessary that adequate remuneration should be given to the Non Executive Directors so as to compensate them for their time, attention and effort and also to retain and attract the pool of talent for the growth and prosperity of the Company.

At the Annual General Meeting of the Company held on August 02, 2014, an Ordinary Resolution under Section 197 of the Companies Act, 2013 was passed by the Members approving the payment of commission to the Directors of the Company (other than Directors who are either in wholetime employment of the Company or Managing Director of the Company) annually for each of the 5 (five) financial years commencing from Financial Year 2014-15, an amount not exceeding 1% (one per cent) of the net profits of the Company.

Further, the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, provides that all fees / compensation, if any, paid to Non-Executive Directors, including Independent Directors, shall be recommended by the Board of Directors and shall require approval of the Members at General Meeting.

Since the period of 5 (five) years has got over on March 31, 2019, it is proposed to seek approval of the Members by way of an Ordinary Resolution under the applicable provisions of the Companies Act, 2013 for payment of commission to the Directors of the Company (other than the Directors who are in wholetime employment of the Company) annually for each of the 5 (five) financial years commencing from Financial Year 2019-20, an amount not exceeding 1% (one per cent) of the net profits of the Company computed in accordance with the provisions of Section 198 of the Act, to be divided amongst the Directors aforesaid in such amounts or proportions and in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination equally.

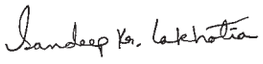
The payment of commission will be in addition to the sitting fees payable to such Directors for attending meetings of the Board and/or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and/or Committee meetings.

The Directors, therefore, recommend the Resolution to be passed as an Ordinary Resolution by the Members.

All the Non Executive Directors of the Company and their relatives, including the Chairman being a relative of one of the Non Executive Director, are deemed to be concerned or interested in the proposed Resolution to the extent of the remuneration that may be received by them.

None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution, except to the extent of their shareholding, if any, in the Company.

By Order of the Board of Directors
For **Srei Infrastructure Finance Limited**



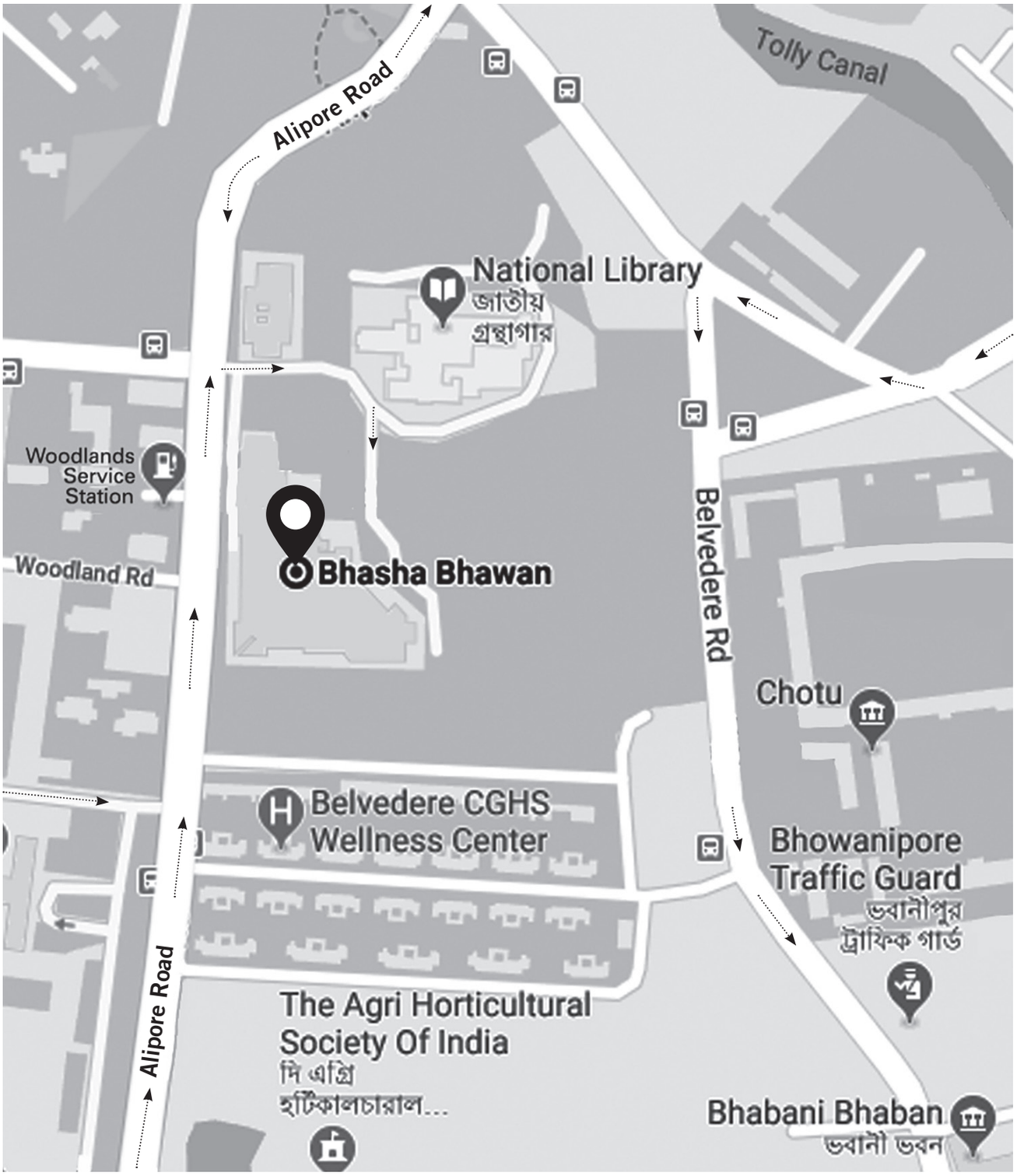
Sandeep Lakhotia
Company Secretary
FCS 7671

Dated : May 25, 2019
Place : Kolkata

Route map to the venue of the 34th AGM

Bhasha Bhavan Auditorium, National Library,
Belvedere Road, Alipore, Kolkata 700 027.

For queries contact us:
+91 33 61607734
investor.relations@srei.com



2.8 km from Majherhat Railway Station, 4.4 km from Park Circus Crossing, 3.8 km from Exide Crossing and 11.2 km from Science City

SREI INFRASTRUCTURE FINANCE LIMITED

CIN : L29219WB1985PLC055352

Registered Office : 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046

Tel No. 033 - 6160 7734, Fax No. 033 - 2285 7542/8501

Website : www.srei.com, Email : investor.relations@srei.com

ATTENDANCE SLIP

(to be handover at the Registration Counter)

Regd. Folio No. DP ID* / Client ID*	:	**Serial No.:**
Name	:	
Address	:	
Joint Holder	:	

* Applicable for Shares held in electronic form

I/We hereby record my/our presence at the **Thirty-Fourth Annual General Meeting** of the Company on Saturday, July 27, 2019 at 10.30 a.m. at **Bhasha Bhavan Auditorium, National Library, Belvedere Road, Alipore, Kolkata 700 027**.

Full name of Member/Proxy_____

(IN BLOCK LETTERS)

_____

Signature of the Member/Proxy

Note:

- Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.
- Special assistance is available to differently abled Members upon request in advance.

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ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD
4667		

The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	End of remote e-voting
From 9.00 a.m. (IST) on July 23, 2019	Upto 5.00 p.m. (IST) on July 26, 2019

The cut-off date for the purpose of remote e-voting & voting at the AGM is Saturday, July 20, 2019.



SREI INFRASTRUCTURE FINANCE LIMITED

CIN : L29219WB1985PLC055352
Registered Office : 'Vishwakarma'
86C, Topsia Road (South), Kolkata - 700 046
Tel No. 033 - 6160 7734, Fax No. 033 - 2285 7542/8501
Website : www.srei.com, Email : investor.relations@srei.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :	L29219WB1985PLC055352		
Name of the Company :	Srei Infrastructure Finance Limited		
Registered Office :	'Vishwakarma', 86C, Topsia Road (South), Kolkata – 700 046		
Name of the Member(s) :			
Registered address :			
E-mail Id :			
Folio No. / Client Id :		DP ID :	

I / We, being the Member(s) of ..... shares of the above named Company, hereby appoint

1.	Name		
	Address		
	E-mail Id	Signature	
	or failing him		
2.	Name		
	Address		
	E-mail Id	Signature	
	or failing him		
3.	Name		
	Address		
	E-mail Id	Signature	

as my / our proxy to attend and vote for me/us and on my/our behalf at the **Thirty-Fourth Annual General Meeting** of the Company, to be held on Saturday, July 27, 2019 at 10.30 a.m. at **Bhasha Bhavan Auditorium, National Library, Belvedere Road, Alipore, Kolkata 700 027** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional) (See Note No. 6)	
		For	Against
Ordinary Business			
1.	Adoption of - a. The Standalone Financial Statement of the Company for the financial year ended March 31, 2019, and the report of the Directors and Auditors thereon. b. The Consolidated Financial Statement of the Company for the financial year ended March 31, 2019, and the report of the Auditors thereon.		
2.	Confirmation of Interim Dividend paid during the Financial Year 2018-19.		
3.	Appointment of a Director in place of Mr. Sunil Kanoria (holding DIN: 00421564) who retires by rotation and being eligible, seeks re-appointment.		
Special Business			
4.	Approval for cancellation of 4,72,827 forfeited equity shares from the issued and paid up equity share capital of the Company.		
5.	Appointment of Mr. Hemant Kanoria (holding DIN: 00193015) as the Chairman of the Company.		
6.	Appointment of Mr. Balaji Viswanathan Swaminathan (holding DIN: 01794148) as a Non Executive Non Independent Director of the Company.		
7.	Appointment of Dr. Tamali Sengupta (holding DIN: 00358658) as an Independent Director of the Company.		
8.	Re-appointment of Mr. Shyamalendu Chatterjee (holding DIN: 00048249) as an Independent Director of the Company.		
9.	Re-appointment of Mr. Srinivasachari Rajagopal (holding DIN: 00022609) as an Independent Director of the Company.		
10.	Re-appointment of Dr. Punita Kumar Sinha (holding DIN: 05229262) as an Independent Director of the Company.		
11.	Payment of Commission to Non Executive Directors.		

Signed this ..... day of ..... 2019.

Signature of Shareholder: _____

Signature of 1st Proxy holder: _____

Signature of 2nd Proxy holder: _____

Signature of 3rd Proxy holder: _____

Affix Revenue Stamp

Note:

1. This form of Proxy in order to be effective should be duly completed, stamped and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The Proxy-holder shall prove his identity at the time of attending the Meeting. Proxies are requested to carry photo identification to the venue of the Meeting.
3. When a Member appoints a Proxy and both the Member and Proxy attend the meeting, the Proxy stands automatically revoked.
4. If appointed for more than 50 (fifty) Members, the Proxy shall choose any 50 (fifty) Members and confirm the same to the Company before the commencement of specified period for inspection. In case, the Proxy fails to do so, the Company shall consider only the first 50 (fifty) proxies received as valid.
5. Any alteration or correction made to this Proxy form must be initialled by the signatory/signatories.
6. If you wish to vote for a Resolution, place a tick in the corresponding box under the column marked **"For"**. If you wish to vote against a Resolution, place a tick in the corresponding box under the column marked **"Against"**. If no direction is given, your Proxy may vote or abstain as he/she thinks fit.